



Business Efficiency Board

**Wednesday, 11 November 2009 at 6.30
p.m.
Civic Suite, Town Hall, Runcorn**



Chief Executive

BOARD MEMBERSHIP

Councillor Dave Leadbetter (Chairman)	Labour
Councillor Martha Lloyd Jones (Vice-Chairman)	Labour
Councillor Diane Inch	Liberal Democrat
Councillor Eddie Jones	Labour
Councillor Alan Lowe	Labour
Councillor Peter Murray	Conservative
Councillor Ulfar Norddahl	Liberal Democrat
Councillor Shaun Osborne	Labour
Councillor Ged Philbin	Labour
Councillor Geoffrey Swift	Conservative
Councillor Philip Worrall	Liberal Democrat

*Please contact Caroline Halpin on 0151 471 7394 or e-mail
caroline.halpin@halton.gov.uk for further information.*

The next meeting of the Board is on Wednesday, 20 January 2010

**ITEMS TO BE DEALT WITH
IN THE PRESENCE OF THE PRESS AND PUBLIC**

Part I

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1. MINUTES	
2. DECLARATION OF INTEREST	
Members are reminded of their responsibility to declare any personal or personal and prejudicial interest which they have in any item of business on the agenda, no later than when that item is reached and, with personal and prejudicial interests (subject to certain exceptions in the Code of Conduct for Members), to leave the meeting prior to discussion and voting on the item.	
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PART II

**SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND
THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT
1985**

In this case the Board has a discretion to exclude the press and public but, in view of the nature of the business to be transacted, it is **RECOMMENDED** that under Section 100(A)(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12A to the Act.

5. INTERNAL AUDIT QUARTERLY PERFORMANCE UPDATE	34 - 79
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In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

REPORT TO: Business Efficiency Board

DATE: 11 November 2009

REPORTING OFFICER: Strategic Director – Corporate & Policy

SUBJECT: Revised Procurement Strategy

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

1.1 To seek approval of the revised Procurement Strategy (Appendix 1).

2.0 RECOMMENDED: That the Procurement Strategy 2010-2013 be approved.

3.0 BACKGROUND

3.1 Procurement of goods and services by Local Government has undergone major changes in recent years and Halton has responded well to the changing environment. The Council last adopted a three year procurement strategy in 2006 and this updated strategy aims to build on the successes of the last three years and develop excellent procurement practices that contribute to strategic priorities and achieve value for money and efficiency savings.

3.2 It is a focused document, with clearly defined and measurable objectives with appropriate timescales and is one that can be easily understood both internally and externally. The draft Strategy has been distributed both internally and to a number of external organisations, (Halton & St Helens PCT, Halton Chamber of Commerce, Halton Voluntary Action, and Enterprising Halton for comment.

4.0 POLICY & OTHER IMPLICATIONS

4.1 This strategy set out the Council's approach to better procurement of goods and services over the next three years.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 This Strategy recognises the impact that Procurement can have on Council priorities and seeks where possible to maximize opportunities to achieve the Council's vision.

6.0 RISK ANALYSIS

6.1. Effective procurement is essential to ensure that local authorities are achieving value for money and efficiency gains.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 There are no equality or diversity issues associated with this report.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

8.1 There are no background papers under the meaning of the Act.

Halton Borough Council

Procurement Strategy

2010 - 2013

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Foreword

In 2006 the Council adopted a clear and concise strategy for better procurement. Over the past three years major savings have been achieved through the adoption of a number of initiatives across the Council. This updated strategy builds on the good practice and embraces government policy that sees public procurement as a tool to drive through improvement and change both locally and in the wider national economy.

Strategic procurement will deliver value for money and more efficient use of resources and this strategy will ensure that there is a co-ordinated approach to procurement across the Council. It is an essential element in ensuring that innovative methods are employed to improve procurement practices and so deliver savings and efficiency gains

The Council will continue to work collaboratively with partner organisations at all levels to ensure the best outcomes from strategic sourcing for goods and services across the region to achieve sustainable procurement outcomes.

Executive Summary –Strong Foundations

This document sets out the Councils approach to strategic procurement, for both internal and external stakeholders, and provides a clear picture of procurement targets and aims for the next 3 years. The vision is for transparent procurement processes that are focused on the corporate strategic objective, of making Halton a thriving borough. We want to engage a supply chain that is keen to protect the environment and to uphold the principles of sustainability, equality and diversity in their workforce.

The council has set out five main priorities in the Corporate Plan and these are underpinned by the requirement of corporate effectiveness and the efficient delivery of services. Corporate procurement is formulated to interpret evidence-based knowledge, into sustainable procurement arrangements, and embedding electronic transactions wherever possible to reduce environmental impact and cost, but we will not lose sight of smaller organisations that have yet to embrace electronic trading. This Strategy provides a common framework under which all procurements by the Council will be managed. It builds upon the advances made under previous procurement strategies.

The council has increased its use of e-procurement technology since 2004 as part of a modernising program, and intends to build upon this in order to meet government objective on electronic trading capabilities. The aim is to procure goods and services using consistent and fair methodology. We will efficiently manage purchase to pay procedures and work with appropriate suppliers to develop system integration around ordering, electronic invoicing and purchase cards. We have begun to implement an electronic business portal and tendering solution to help reduce administrative overheads and deliver environmental objectives by reducing paper in the workplace.

Procurement is a part of the wider commissioning cycle. It is defined as the specific activities that focus on the process of buying goods or services, from the point at which the supply community is alerted to an opportunity through to the final contract arrangements. Commissioning is defined as the entire cycle of assessing the needs of people in a local area, designing services and then securing them. This strategy identifies key objectives as targets, that provide a co-ordinated approach to procurement methodology, and breaks them down into specific areas for action, linked to timescales for implementation.

The Legislative & Governance Framework

Procurement is a key factor in delivering a modern local government service. It is not just about obtaining value for money, but also ensuring we act in such a way as to support Central Government aims. We want to integrate fairness in competition, engage with the whole supply community, and take account of sustainability and regeneration and to uphold the principles of equality and diversity within the national workforce.

High value procurements activities are subject to EU Procurement Rules, which provide for equality of opportunity across the European Union, however the Council believes the same principle of transparency applies equally to all procurement opportunities. The increasing use of websites and supplier portals to advertise tenders is a feature of current business practice. We will ensure our own web pages www.halton.gov.uk/procurement provides signposts to useful links to enable business to more easily trade with us, and our regional local government partners.

Procurement Standing Orders and Financial Regulations in the Council Constitution sets out the principles, values thresholds and corporate rules to which both members and officers must adhere, when carrying out procurement activity.

Aims of the strategy

To link into the Councils Corporate Plan and Community Strategy to embrace working practices which reflect government objectives on promoting equality and diversity, sustainable communities and to use procurement as a tool to deliver in these areas.

To ensure the priorities particularly around Halton's Urban Renewal and Employment Learning and Skills are supported by this strategy by proactively engaging with the local business community to enhance their ability to compete competitively for future Halton Borough Council and other public contracts.

To embed council policy in the delivery and outcomes of a joined up procurement service. This strategy recognises corporate policy and practices which integrate with the work of Employment Learning and Skills Strategic Partnership, Halton Carbon Management Scheme, joint working with the Merseyside Procurement Board, the SME Concordat and local joint Commissioning Strategies.

To recognise the contribution that voluntary and third sector organisations have to offer in providing a varied competitive market place. There is a need to understand suppliers views and to remove barriers to doing business with this market sector.

To ensure we provide equal opportunity to bid for council work. We will continue to introduce technology that will enable all supply organisations to easily access procurement opportunities both with Halton and other regional councils and public organisations.

To champion the use of standard documentation within the council to reduce the complexity of applying for work with the council whilst ensuring that the suppliers we choose are sympathetic to our own priorities.

To reduce duplication in procurement procedure for those organisations that bid for multiple council tenders.

To work in collaboration within the Mersey City Region to develop a supplier portal giving simplified access to a wider range of opportunities.

To promote the application of the principles of sustainability, equality and diversity in our procurement decisions.

To support the consolidation of spend on core products to support the sustainability agenda and reduce the environmental impact of our corporate purchases.

Procurement Key Objectives

The purpose of this strategy is to set out how the council is developing its procurement practices to further its strategic priorities. Our procurement objectives will:

1. Strengthen corporate support and secure long-term commitment from members and officers, to deliver better procurement in Halton
2. Proactively engage with other local authorities and groups to improve knowledge and develop relationships for common areas of spend
3. Maximise benefits from e-procurement solutions to stimulate electronic trading through service redesign within the business spectrum and deliver cost efficiencies to both internal and external interfaces where e-procurement can be adopted
4. To ensure that the procurement process obtains maximum benefit from economy, efficiency and effectiveness to achieve value for money
5. Promote business opportunities for the whole supply community and clearly and transparently encourage innovation and competition within the supply market
6. Embed the Flexible Framework on Sustainable Procurement taking into account economic, social and environmental sustainable elements in procurement
7. Implement and monitor Key Performance Indicators to highlight continuous improvement and performance benefits against our targets within
8. Develop procurement skills across the organisation to support the implementation of procurement policy and strategy

Each key objective is further defined later in this document.

Procurement Roles

The Council recognises the responsibility for effective procurement is not the responsibility of any one individual, but belongs to all members and officers at all levels.

Procurement Champion

An elected member of the Council's Executive Board is designated as service lead and champion for Procurement. The strategic director for Corporate & Policy is the lead on the officer side

Procurement and Commissioning Group

Membership is drawn from senior officers with the skill, capacity and authority to deliver cultural and process changes within their directorates. The Group considers and reviews current procurement strategy and practices with a focus on the delivery of best value in procurement, new initiatives, monitoring progress and sourcing options.

Procurement Advice and Information Unit

The Procurement Advice and Information Unit acts as enabler, developer and co-ordinator for procurement activity. It plays a lead role in identifying areas for improvement, in terms of corporate contracts, which provide efficiencies for the Council and certainty of business for successful contractors. It recommends new procedure to simplify tendering and supply. It monitors and reports on improvement towards the attainment of Key Procurement Objectives and highlights areas of non-compliance.

Directors, Heads of Service and Contracting Officers

Service specific procurement projects are delivered by directorate based procurement and contracting officers working within their areas of expertise, on many levels, make spending decisions on a daily basis.

Procurement Improvement Plan

Key procurement objectives are monitored by means of a Procurement Improvement Plan that defines the objectives in quantitative terms and allow the Procurement Unit to report on progress.

Each of these roles plays their part in ensuring efficiency, and releasing resources to frontline services.

Monitoring and Review

It is the responsibility of the Procurement & Commissioning Group, to consider and review procurement strategy and practices with a focus on the delivery of best value in procurement arrangements, use of new technology, efficiency gains and appropriate sourcing options.

The group will achieve this by:

- Reviewing the procurement strategy to provide a framework in support of the Council's strategic objectives and efficiency agenda.
- Training and promoting commitment to a consolidated procurement methodology within the council.
- Applying due consideration to appropriate sourcing options for the provision of goods & services.

- Endorsing and sponsoring pilot projects that will enable the Council to use appropriate procurement and commissioning tools to help deliver both cashable and non-cashable efficiencies.
- Monitoring appropriate Key Performance Indicators for procurement.
- Championing the Procurement Strategy, Procurement Standing Orders and Financial Regulations within directorates and ensure non-compliance is investigated in a timely and appropriate manner.
- Working to change attitudes and approaches to procurement and commissioning arrangements within the Council and help to achieve equality and efficiency.

Progress on the Procurement Improvement Plan and periodic updates on efficiencies and procurement best practice will be reported to the Business Efficiency Board

Sustainability and Economic Development

The Council requires procurement decisions to be made on the basis of Most Economically Advantageous Tender (MEAT). This ensures the whole life cost of purchases, are taken into account. Lowest price whilst an important factor is not the only basis for awarding a tender. This allows the council to take into account environmental policies, employment factors and other relevant criteria when awarding a contract. The Council seeks to encourage environmentally friendly procurement which is undertaken in accordance with the Councils Corporate Plan and the priorities which support the minimising of waste, increased recycling and improving environmental assets. We endorse the use of recycled and environmentally friendly products and packaging. Any such weighting to be used to evaluate tenders should be clearly defined from the outset.

We are working towards attaining level 3 of the Flexible Framework on Sustainable Procurement. Halton is part of the Merseyside Procurement Board and endorses and supports the collaborative Sustainable Procurement Policy which aims to set a single standard within the region.

We will further develop the use of electronic procurement methods in order to reduce paper, storage requirements and non productive time for requisitioning, purchase orders, and invoice processing where appropriate.

Equality & Diversity

Halton Council is committed to ensuring equality of opportunity within all aspects of its service delivery, policy development and as an employer. This commitment is reflected in a range of policies, strategies and framework documents that underpin the work of the Council in its day-to-day operation and in the services it delivers. In particular this is encapsulated in its equal opportunities policy. This states that the Council is committed to promoting equal opportunities in Halton; values diversity and encourages fairness and justice; wants equal chances for everyone in Halton to work, learn and live

free from discrimination and victimisation; and, will combat discrimination throughout the organisation and will use its position of influence in the Borough, wherever possible, to help overcome discriminatory barriers.

Procurement is represented on the Corporate Equality and Diversity Group to ensure that procurement practices and collaborative arrangements seek to safeguard, that the business organisations, commissioned to provide services for the council share our commitment to equality and diversity.

Halton's standard tender documents use gateway questions on equality in the Pre Qualification Questionnaire to eliminate contractors who do not comply with current legislation.

Procurement Partnerships and Collaboration

Value for money can be gained by working in partnership with other organisations, both in terms of using a mixed economy of providers and also being open to innovative ways of working. Within the region Halton works with the North West Improvement and Efficiency Partnership, to address issues around accessing value for money and better engagement with other local authorities. Halton Borough Council, St Helens Borough Council and Halton Primary Care Trust are members of a Partnership Agreement under section 75 of the National Health Services Act 2006. This provides the scope for joined up commissioning and procurement using pooled budgets to provide a robust service by the partners to discharge their functions in the best interests of joint clients. Halton has strong links with other purchasing organisations and particularly with the Mersey City Region. As a member of the Merseyside Procurement Board, we are engaged in a program which is not only delivering value for money on purchases, but also looking at how we can work together to use common approaches and access to procurement opportunities within the region. Regionally there are links to wider collaborations and to social enterprise groups, to promote better understanding of ways in which we could work together. The Merseyside Procurement Board partners interact with a developed network of representative bodies and supporting organisations from the third sector aimed at improving procurement training and opportunities for their members. Organisations such as Change Up, MFIP and TAPS also serve as a link with local partners to improve their understanding of this sector of the supply market. A common supplier portal has been adopted by the members of the Merseyside Procurement Board to enable the supplier community to access all advertised local authority opportunities within the region, via a single contact point.

Key Objectives

KEY OBJECTIVE – 1. ORGANISATION

Strengthen corporate support and secure long-term commitment from members and officers, to deliver Better Procurement in Halton

Position Statement	Key issues	Milestones	Measure / monitor	Timescale
Procurement is managed over a number of devolved functions and directorates. A review in 2009 will ensure Procurement is accepted as a cross cutting issue and not department lead	Consistency and compliance is required throughout the procurement cycle in accordance with internal governance Commissioners and Procurement Officers have complementary roles in the procurement cycle	Improve awareness and compliance with internal governance and EU Procurement Regulations 2006 as published in the Council's Constitution Strengthen the profile of procurement and commissioning across the Council and change the procurement culture	Constitution	Annual Review
			Procurement Handbook	Continuous Progress
			Training	Ongoing
			Efficiency Review	Dec 2009
Procurement Standing Orders provide the corporate framework for contracts and tendering	There is a need to maintain awareness of current and changing legal requirements for all officers with procurement duties	Annually review & update legislation with Legal Services and Chief Internal Auditor.	Constitution	Annual
			Procurement Handbook	Continuous Progress
			Training	Ongoing
Standard Contract Documents have been adopted and endorsed by senior management	Procurement and tendering procedure must be transparent and fair Ensure that the risk is appropriately managed	Improve awareness and compliance with officers Enforce compliance with the use of Standard Contract Documentation	Training E-Tendering System	Ongoing July 09
			Pre Qualification Monitor	Ongoing
Traditional procurement practice may not be maximised on new and innovative opportunities	Encourage a culture where competition and innovation may offer wider benefits – ensure fair advertising and communication of opportunities	Develop transparency within the procurement cycle, to enable new partnerships to influence progress	List of Council Contract Register	Continuous Updates
			E-Tendering System	July 09

Equality & Diversity culture is embedded within the organisation and Procurement Policy	Level 3 Equality standard for Local Government achieved by the council	Maintain focus and ensure Equality and Diversity principles are reflected in sourcing and selection choices and contract reviews	Equality & Diversity Framework	2009/10
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Key Objective - 2 PARTNERSHIPS, COLLABORATION & FRAMEWORK AGREEMENTS

Proactively engage with other local authorities and groups to improve knowledge and develop relationships for common procurement areas of spend

Position Statement	Key issues	Milestones	Measure / Monitor	Timescale
Halton Council is party to many regional partnerships and is engaged with North West Improvement and Efficiency Partnership. NW Construction Hub Merseyside & Halton Waste Partnership Merseyside Procurement Board Halton & St. Helens PCT	Maintain active involvement in delivering collaborative procurement projects within the region.	Promote collaborative arrangements Proactively engage with other regional local authority procurement professionals to identify common key areas of spend that will benefit from collaboration Provide a Regional Contract Register that will alert the Supply Community to business opportunities Engage with internal teams on procurement and commissioning opportunities	E-Tendering System and Procurement Handbook Merseyside Procurement Map E Tendering System and Supplier Portal Procurement & Commissioning Group	July 09 Ongoing Continuous Development July 09 Ongoing
Halton Constitution endorses the use of framework agreements	Promote awareness and utilisation of Open Framework Agreements	Maximise the efficiency saving opportunities from buying into Open Framework Agreements	Key Performance Indicator	Ongoing

KEY OBJECTIVE – 3. E PROCUREMENT

Maximise benefits from e-procurement solutions, to stimulate electronic trading through service redesign within the business spectrum, and deliver cost efficiencies to both internal and external interfaces where e-procurement can be adopted

Position Statement	Key issues	Milestones	Monitor/ measure	Timescale
The Council's financial system is due to be upgraded in 2010 to allow us to take advantage of new technology	We must maintain flexibility to trade at all levels whilst acquiring knowledge of new technical developments	Ensure procurement processes and financial system maximise efficiencies and transactional savings. Reduction of paper based systems and duplication in processes	Purchase to Pay familiarisation workshops and guidance notes issued to key users	Ongoing
Transactional activity is managed over a number of devolved functions and directorates	Duplication and non-value adding elements within the process	Embed best practice within all Directorates in terms of available technology Increase the number of Purchase Orders issued electronically	Efficiency Review Key Performance Indicator	Dec 2009 Ongoing
Continuous improvement of E-Marketplace	A few catalogues are currently available we must promote the facility of the E-Marketplace	Monitor the number of new catalogues set up on marketplace	Key Performance Indicator	Ongoing
Procurement cards are embedded for specific categories of spend within the authority	Reduce administrative cost of processing high numbers of transactions for both purchaser & supplier	Identify opportunities that would deliver improved process efficiencies from the use of a Procurement Card	Key Performance Indicator	Ongoing
Invoice Scanning has been adopted	Duplication and non-value adding elements within the process are potential barriers to fully role out this facility	Complete the integration of Invoice Scanning for all Directorates of the council Monitor success rate of invoice scanning	Implementation across all Directorates Key Performance Indicator	July 2009 Ongoing

E –invoices can be accepted into the Financial System	Limited requests from suppliers for e invoicing	Publicise the availability to suppliers using cost effective media	Web Page Email	Dec 2009
E Tendering has been identified as a key milestone for implementation by 2012 in the Glover Report	The paper based process, currently used is to be replaced with an electronic tendering system. Monitor registration on E-Tendering system	Fully implement a web-based tendering and contract management system to streamline the procurement process and enable e-tendering.	E-Tendering and Contract Monitoring System	July 2009
		All sourcing and routine procurement activity across the authority to be capable of being undertaken electronically	Business Efficiency Board	Dec 2009
Limited awareness of e-procurement capabilities within our supply community	Understanding the profile of our suppliers electronic capabilities	Publish clear information on e-procurement within the Council.	Procurement Web Page	Ongoing
		Promotion of e-enabled working practices within the supply chain	Contract Monitoring System	Dec 2009

KEY OBJECTIVE – 4. VALUE FOR MONEY

To ensure that the procurement process obtains maximum benefit from economy, efficiency and effectiveness to achieve value for money

Position Statement	Key issues	Milestones	Monitor / measure	Timescale
The council now evaluates using Most Economically Advantageous Tender principles (MEAT)	Whole life cost of acquisition must be considered, this may not be the lowest price, but the best overall option taking into account quality and service	Evaluation criteria to be included within the E-Tendering System	E-Tendering System	July 2009
	Clear and transparent criteria to be included within an Evaluation Matrix for all tenders prior to commencing a Tender Procedure	Improve the use of clear and transparent information	Training and Procurement Handbook Constitution SO 2.10 (c, d, e)	Annual Continuous updates Annual
Spend analysis data is available to identify opportunities for: -Core contracts, -Areas where no contract is in place -Aggregation of spend -Internal collaboration -Common Suppliers -Product classification	A clear profile exists of Procurement Spend, Supply Base and Classification of goods across all directorates.	Prioritise key spend areas and optimise procurement performance	Spend analysis & Supplier analysis	July 2009 (annual review)
	Ownership is not always easily identifiable against priority spend areas.	Develop a clear reporting mechanism	Business Efficiency Board	Quarterly
	Identify areas without any contract arrangements in place	Work with purchasers to remedy	Key Performance Indicator	Ongoing
An increased number of core contracts are now in place	Focus must be on maximising Value for Money opportunities available from the increased number of core contracts	Measure efficiency savings	Savings Monitor	Monthly
		Promote core contracts available to our internal customers	Procurement Handbook	Continuous updates

		Reduce off contract spend	Agresso	Continuous updates
			Spend Analysis	Annual review
Contract Management is recognised as a vital element within the procurement cycle to develop supplier relationships	Continuous improvement and performance monitoring of contracts to identify efficiency savings and demonstrate value for money Ensure unsatisfactory contract performance is dealt with at an early stage by effective contract management	Develop a corporate savings monitor Develop a standard review procedure which evidences performance	E-Tendering System and Key Performance Indicators Business Efficiency Board	July 2009 Continuous updates Quarterly
Managers undertake an Preliminary Estimates in relation to contract spend over £1 million	An options appraisal should be undertaken for significant lower value contracts to identify all relevant options and choices for procuring goods and services	To promote the benefits of a thorough evaluation of the choices available prior to implementing a contract Create a Toolkit for officers on – How to buy for the Council	Training and the Procurement Handbook Procurement Handbook	Annual Dec 2009
Low Value Spend activity is spread over a wide range of suppliers	High number of transactions for low value spend Large supply base with duplication of goods and services procured by the council Fragmented supply arrangements may not lead to the anticipated level of Value for Money	Manage and monitor low value spend activity Identify potential for internal collaboration to develop contract opportunities Consolidate internal purchasing arrangements	Spend Analysis E- Tendering System Supplier Directory	June 2009 (annual review) Continuous review July 2009 (annual review)

KEY OBJECTIVE – 5. DEVELOPING THE SUPPLY MARKET

Promote business opportunities for the whole supply community and clearly and transparently, encouraging innovation and competition within the supply market

Position Statement	Key issues	Milestones	Monitor / measure	Timescale
There is a desire to ensure that the whole supply community understands how to trade with the Council	Regular supplier requests received on how to trade with the council	Deliver clear and informative communication to the whole supply community on what they can do to access opportunities	Supplier Letters Procurement Web Pages,E-Tendering System	Continuous review July 2009
A Procurement Web Page exists which publishes procurement opportunities and details of how to trade with the council	The whole supply Community has limited awareness of where to find information on how to sell to the council	Promote procurement web page to the supply community Procurement and Economic Development officers working jointly to promote information to suppliers through local meetings, supplier events and publications Adopt Merseyside standard document How to do Business with Councils in the Merseyside Region Provide an electronic means of alerting the supply community of business opportunities	Web Site-monitor Survey of attendees at local events Merseyside Collaborative Group Supplier portal / E-Tendering System	Monthly Ongoing Dec 2009 July 2009
Desire to work with our whole supply community to understand, influence and develop the supply markets relevant to the council	Inconsistent approaches used within the council to understand and shape the supply market.	Encourage dialogue with suppliers at the early stages of the procurement and commissioning cycle. Support both existing and potential suppliers in developing their capability	Training Officers toolkit -How to buy for the Council Procurement Web Page	Annual Dec 2009

		and capacity to meet our needs	E-Tendering System	Continuous review
Local Sourcing is important to the Sustainability agenda	To increase the overall number of local businesses competing for council contracts by participating in training and support programmes.	Work with the Halton Chamber of Commerce Procurement Officer to engage with local businesses to promote information to the local supplier community and encourage them to bid for Council Contracts	Events and targeted publications	Ongoing
	Work with contractors to identify employment opportunities for local people	Identify opportunities to promote the development of a locally based skills/training pool	Consultation with Adult Learning and Skills Development	Annual review
	To ensure local businesses have access to Council Contracts with the aim of improving sustainability and local job creation	Monitor the value of trade with Local Supplier's	Supplier analysis and monitoring by Employment Training and skills	Annual Review
SME's interests are recognised	Suppliers may still perceive barriers that traditionally existed with complicated procedures	Work with both internal and Merseyside Partners and the business community to address concerns over ability to engage with HBC and other councils to reduce perceived barriers	Glover Report Targets Economic Development	March 2012
		Monitor the value of trade with SME Suppliers	Supplier Analysis	Ongoing Annual Review
Third Sector interests are recognised	To support voluntary and independent organisations to work together in a collaborative way through joint commissioning strategies	To develop stronger and equal partnerships with the voluntary and independent sector	Training workshops	Annual
		Promote awareness of How to do Business with the Council Guide and work with partners to engage with the Third Sector	Via Merseyside partner links	2009 to 2011

KEY OBJECTIVE – 6 SUSTAINABLE PROCUREMENT

Embed the Flexible Framework on Sustainable Procurement taking into account, economic, social and environmental sustainable elements in procurement

Position Statement	Key issues	Milestones	Monitor / measure	Timescale
The Flexible Framework needs to be incorporated into Procurement and Commissioning throughout the Authority	To implement the Flexible Framework throughout the authority.	Create a workgroup led by a Sustainable Procurement Champion to deliver Sustainable Procurement Training	Management Team report and approval	Jan 2010
	There is limited understanding of the Flexible Framework amongst purchasing officers and the milestones to be achieved by the authority	Achieve a minimum of level 3 in the sustainable procurement flexible framework	Maintain a register of all officers who have been trained	June 2010
		Continuous improvement within the Flexible Framework to reach Level 5	Flexible Framework Workgroup	March 2012
Standard Contract Documents include sustainable procurement provisions	How do we ensure that sustainable procurement is embedded into our contracts and tender procedure - evaluation	Identify a Sustainable Impact Assessment tool	Flexible Framework Workgroup	March 2010
		Address key sustainability issues and the local economic development through a standard evaluation model	Flexible Framework Workgroup	March 2010
		Develop a sustainable contract register to promote good practice internally	Contract Register	Dec 2009
Halton supports the Construction Integrator Model	The identification of relevant construction contracts where this model could be used to create training opportunities.	Publicise successes where this has lead to local labour opportunities	Monitoring by Employment Learning & Skills	

KEY OBJECTIVE – 7 PERFORMANCE MANAGEMENT

Create, implement and monitor Key Performance Indicators to highlight continuous improvement and performance benefits against our targets

Position Statement	Key issues	Milestones	Monitor/ measure	Timescale
Voluntary Key Performance Indicators are set up	Continuous improvement	Targets to be set and monitored.	Reports to the Business Efficiency Board	Quarterly
Procurement Improvement Plan	Prioritisation of procurement projects Alignment with strategic objectives	Monitor performance and outcomes achieved	Procurement Improvement Plan as a mechanism for monitoring progress.	Dec 2009

KEY OBJECTIVE – 8 TRAINING

Develop procurement skills across the organisation to support the implementation of procurement policy and strategy

Position Statement	Key issues	Milestones	Monitor / measure	Timescale
Procurement is incorporated into the Managers Training Programme.	To promote the importance of embedding best practice within procurement and how this aligns with the councils vision and key objectives	Procurement best practice within Halton is communicated to employees	Corporate Training Program	Ongoing
A core skills training programme for key officers involved in procurement has been developed to address the required skills in Basic Procurement & Standard Contract documents	<p>Identification of key purchasing/procurement officers within the authority and ensure training is effectively targeted.</p> <p>Officers need to be aware of how to use procurement tools effectively</p>	<p>Improve procurement knowledge and awareness of officers who are involved in the procurement & commissioning cycle</p> <p>Evaluate the advantages of adopting the Merseyside Procurement Skills matrix</p> <p>Ensure Training in the effective use of Agresso and e-procurement tools is available via the training calendar</p>	<p>Monitor through the Trent System</p> <p>Merseyside Procurement Skills Matrix</p> <p>Match attendance to target group</p>	<p>Annually</p> <p>2010/11</p> <p>2010</p>
Sustainable Procurement Training must be refreshed	As the environment and technology evolve officers must be kept up to date	Develop a Sustainable Procurement Refresher Course	Match attendance to target group	2011

REPORT TO: Business Efficiency Board

DATE: 11 November 2009

REPORTING OFFICER: Strategic Director, Corporate & Policy

SUBJECT: Efficiency Programme – update on progress to date and next steps.

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

To inform the Board of progress made to date with the Efficiency Programme, and outline the next steps to be taken.

2.0 RECOMMENDATION: That

- (1) the Board is asked to note the contents of the report; and**
- (2) further update reports be brought to the Board.**

3.0 SUPPORTING INFORMATION

Progress on the Efficiency Programme and its next steps are shown in Appendix 1.

4.0 POLICY IMPLICATIONS

None identified at this stage. Activity within the Efficiency Programme may result in recommendations to change policies in the future.

5.0 OTHER IMPLICATIONS

None identified at this stage.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

The Efficiency Programme is designed to improve the effectiveness of services across the authority and reduce costs associated with service delivery. This affects all of the Council's priorities.

7.0 RISK ANALYSIS

Given the financial constraints facing the Council in the next three years, and beyond, failure to progress the Efficiency Programme into future stages may result in the Efficiency Programme not achieving its objectives – primarily

service improvement and cost reduction. This could result in services being underfunded, with departments unable to meet the costs of staff and other resources required to deliver to the community of Halton.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 Not applicable

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

9.1 Not applicable

Efficiency Programme Progress update and next steps – October 2009

The Efficiency Programme is an overarching programme consisting of a number of workstreams. These workstreams were selected in summer 2008 in partnership with KPMG and a Programme Business Case was approved

Objectives of the Efficiency Programme:

- Reduce costs to the Council while maintaining and improving the quality of services provided to the community.
- Find new and more flexible ways of working while maintaining the authority's excellent performance rating;
- Minimise the impact of changes on front line services and improve management and support processes;
- Provide opportunities for skills and capability development;

Scope of the Efficiency Programme:

All council services across all directorates are within the scope of the Efficiency Programme

Staffing Protocol:

As new structures are designed, approved and implemented there will be an effect on staff across all levels.

Following negotiations with the Trade Unions the Staffing Protocol has been agreed by Appointments Committee on 21st September 2009

The staffing protocol is a framework that can be applied across the Council to affected staff. A key commitment of the Protocol is:

“Every effort will be made to ensure that everyone who is currently employed and who wants to remain with Halton Borough Council will have the opportunity to remain employed by the Council”

The protocol does several things;

- Recognises the need to consult and involve Trade Unions throughout.
- Outlines the 'At Risk' procedure.
- Outlines Voluntary Retirement / Voluntary Redundancy schemes.
- Describes the TUPE protocol (if and when required).
- Emphasises the need to communicate throughout the process.
- Outlines training and welfare services.

All staff have been invited to express an interest for voluntary early retirement or voluntary redundancy (closes 30th October)

Progress and Next Steps on each Workstream

Workstreams currently underway are;

- Management Structures
- Transactional Support Services
- Non-Transactional Support Services
- Service Delivery Options (Pilot – Open Spaces)
- Customer Relations & ICT improvement
- Property

The Programme Office is in place to co-ordinate and support the delivery of the overall programme and to develop further efficiency initiatives in the future.

The approach is to understand the current 'As-is' position, then move forward to develop and implement a transition to a more efficient and effective 'To-be' situation.

Progress made on each of the workstreams and planned next steps are detailed below.

Management Structures:

The aim of this workstream is to review existing management structures across the Council, with a view to making them more streamlined, efficient and effective. A Corporate Management Framework (CMF) has been developed which sets out a number of key principles around the management structure of the Council.

This includes;

- the number of tiers of management;
- spans of control, and;
- the cost of management as a percentage of direct spend.

A detailed analysis of all management posts and structures has been undertaken together with impact assessments to assess the effects of changing existing structures.

The detailed Management Structures have been out for formal consultation which ended on 21st October

Next Steps:

- Redesigned structures will be considered and a transition plan developed during May and June 2009.
- New structures will be signed off in July 2009.
- Appointments Committee to meet 26th October to consider new Management Structures
- Communicate agreed Management Structures.
- Process Expressions of Interest for VER / VR
- Fill structure - implement assimilation, ring-fence, and at-risk processes.

Transactional & Non-Transactional Support Services:

These two workstreams are being delivered together. The aim is to review all support service functions across the Council.

These services are:

- Human Resources;
- Finance;
- Administration;
- Policy, Strategy and Performance Management;
- Democratic Services;
- Project & Programme Management
- Procurement and Contract Management; and
- Communications and Marketing.

A detailed analysis of all Support Services has been undertaken.

Through the Efficiency Programme Board and Management Team a number of 'in principle' decisions about the broad design of the 'To Be' structure for support services.

'To-be' Workshops were held and there is an opportunity for staff and managers to influence the detail of the design for Support Services. The workshops and the discussions that follow it are such opportunities.

The first stage informal consultation has been completed along with Directorate Briefings

The revised structures have been developed and are currently out for formal consultation (closes 11th November)

Next Steps:

- Review draft structures in light of consultation responses
- Job descriptions & person specifications to be produced for posts in new structures
- Posts in new structures to be subjected to job evaluation.
- Final Transactional Support Services structures to be agreed on 20th November.

Service Delivery Options:

The aim of this workstream is to examine current delivery arrangements, performance, cost, and customer perception in order to generate revenue savings.

Open spaces was selected as the pilot service for this workstream.

A detailed analysis has been undertaken of the service, its structure, management, cost, impact, and the wider external market in which it operates.

Early discussions around options for the service have taken place

Draft 'To-Be' structure completed following consultation with Trade Unions. Potential saving identified.

Formal staff consultation period commenced (ended 26th October)

Next Steps:

- Future delivery options to be set out and presented for consideration
- Refine structure in light of consultation responses, and agree structure for implementation.
- Appoint Open Spaces Service Manager
- Implement new structure for service
- Commence work on other elements of transition plan to recover slippage in work stream incurred over the summer.

During the first stages of this workstream, a service assessment framework methodology has been developed. Using the workstream approach, this methodology will be applied to all services as part of a coordinated service review programme.

The next two service reviews to be undertaken will be Housing Benefits/HDL (to be led by Strategic Director Environment) IT (to be led by Strategic Director Health & Community). In both cases the Outline Business Case (OBC) & Project Initiation Document (PID) have been approved by the Programme Board.

Next Steps:

- Work stream project team to be convened
- Baseline to be drawn up and agreed
- Process reviews to be undertaken
- Commence work on 'As-Is' position

Customer Relations & ICT Improvement:

The aim of this workstream is to ensure that the Council is making best use of technology and infrastructure to make services more efficient.

This workstream is an 'enabler' to achieve improvement in and across other services. There are opportunities to rationalise and streamline existing IT hardware and software provision that are currently being implemented. The efficiencies generated from this will support compliance with new regulation and also provide capacity to support front line services more effectively.

This work stream has been completed in terms of the original OBC requirements and is now closed.

Property:

The aim of this workstream is to ensure that the Council is making best use of its property base.

An assessment of the Property management function has been undertaken by CIPFA Property Services and reported in June.

The Executive Board considered the options at its meeting on 15th October and agreed to "soft" market test all property services.

Next Steps:

- Work to commence to identify and develop an "in-house" a strategic/client management function to manage the transition and any new contract arrangements.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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