



**Sustainable
Procurement
Strategy:
2014-2018**

Contents

1. Foreword
2. Introduction
3. About Cumbria
4. The national, regional and local context
5. Our vision, outcomes, priorities
6. Delivering the strategy
7. Performance managing and reviewing the strategy
8. Shaping the strategy
9. Glossary and appendices

1. Foreword

This Procurement strategy sets out the ambition for Cumbria County Council's use of Procurement to positively impact on our economy and communities in recognising the social, economic and environmental benefits to be gained from taking a sophisticated intelligent approach to our Procurement. The strategy also recognises the policy and financial challenges faced by local authorities and the wider public sector.

Through rigorous challenge of all our commissioning and Procurement decisions, together with effective and efficient Procurement and contract management procedures and processes, we will generate significant efficiency savings, and in so doing, will maximise the protection of front-line services.

In shaping this strategy we have listened to our customers, the third sector, suppliers and other key partners, so I am confident it takes full account of the local picture – as well as having due regard to national best practice and policy.

I would like to take this opportunity to offer my thanks to all those involved in the development of the procurement strategy and look forward to working with you to ensure its effective implementation – making the best use of resources to deliver on the Councils priorities.

Barry Doughty

Cabinet Member for Fire and Rescue, Public Safety and Central Support Services

Executive Summary

This strategy sets out the vision and Procurement objectives of the Council for 2014-2018 within the context of the Council Plan which states:

- ***Our vision for Cumbria.....is for the people of Cumbria to benefit from sustainable economic growth and an enhanced quality of life'***
- ***Our vision for Cumbria County Council.....is to be an effective and efficient organisation that delivers the best possible services for the people of Cumbria within its available resources....'***
- ***The Council's core purpose.....is to serve the people of Cumbria'.***
- ***To be a modern efficient Council by.....re-shaping the organisation...reducing management costs'; making internal support services much more efficient'; 'commissioning and procuring services in a more efficient way....'changing the culture of the organisation....'***

The strategy reflects both local and national policies and priorities and takes into account feedback from elected members, the third sector, customers, suppliers and other partner organisations. It describes the Council's strategic Procurement ambition, the role procurement will play in achieving the Council's priorities; the guiding principles that will underpin the Council's approach to procurement; and headlines the key actions that will be taken to deliver the ambition.

The Strategy has been developed at a time when local authorities are facing significant financial challenges and is therefore underpinned by a clear drive to save across our procurement expenditure. The Strategy aims to:

- **Drive greater efficiency**
- **Support local growth**
- **Improve service delivery**

and will therefore focus on:

- **Buying responsibly at all times**
- **Robust, simple and legally compliant procedures**
- **Implement a development plan to train, coach and mentor**
- **Embed a culture of strong contract and supplier management**
- **Work with our partners and others public sector bodies**
- **Reaching out to the Local supply base**

These themes are developed in the document and provide a framework for the activity that will take place to deliver the commitments in the strategy over the next several years.

Implementation of the strategy will ensure a single, corporate approach is adopted – ensuring the Council's commissioning, procurement and contract management practice and processes are consistent, high quality and efficient – providing value for money services and a more effective use of resources.

In summary, the Council's strategic Procurement ambition is clearly set out within this document, as it very much reflects the new Council Plan commitments and priorities to the people of Cumbria; its vision; overarching objectives; its detailed themed objectives; its guiding principles; what 'good' will look like; the local and national context of Procurement and its role within the Council, and a financial breakdown across directorates.

The Council Plan makes a clear commitment to working with communities and the third sector to enable them to create local solutions and shape local services for the future. This will require the organisation to work with local communities, groups and individuals in a way which facilitates this way of working. An important aspect of this way of working is in recognising that as well as having needs, our communities also have social, cultural and material strengths and assets. Beginning with a focus on what communities have (their strengths and assets); as opposed to what they don't have (their needs); the community's ability to address its own needs increases, as does its capacity to lever in external support.

Incorporating an understanding and focus on existing strengths into the council's work to design and commission services will be a powerful way of integrating this way of working into the council's systems, process and culture.

2. Introduction

In order to deliver our priorities and statutory responsibilities, Cumbria County Council currently spends in excess of £270 million per annum (excluding, for example, staffing costs and external grant monies, based on 2012/13 figures) on goods, works and services. As *one of the largest* buyers within Cumbria, the Council is acutely aware that its spending patterns will affect, either directly or indirectly, the lives of many who live or work in the county.

The Council is committed to taking commissioning and procurement decisions in a responsible manner; and through its procurement activity, make a difference to the people, businesses and communities of Cumbria – strengthening community resilience and building social capital in the face of the difficult financial decisions the Council will have to take over the coming years.

This Sustainable Procurement Strategy outlines the Council's approach to procuring goods, works and services, and the on-going management of its commissioning, procurement and contract management activities for the next several years.

The Council believes that the measure of the effectiveness of the Council will be the difference it makes to the people, businesses and communities of Cumbria. Outlined in the recent budget consultation, the Council is committed to bringing about a new relationship between the County Council, its local communities and citizens. (This is essential to strengthen community resilience and build social capital in face of the difficult financial decisions the Council will have to take in the coming period). This requires radical cultural change across the Council – both a transformation of the relationship between Officers and Members and across the Council as a whole and its communities. We are committed to the fullest possible engagement with outside stakeholders, better partnership working and devolved decision making to the greatest possible extent.

Commissioning and Procurement activity within any organisation is widely perceived as forming part of a cycle (**Figure 1**), which encompasses activities beginning at 'identification of need' and ending with a 'lessons learnt' review, post the end of the contract provision. (**Appendix 1**: Commissioning & Procurement Cycle). In order to further strengthen the rigour of the process, the County Council undertakes internal 'Gateway' reviews at various stages in the life of key projects or programmes of work (high risk, high value; complex and/or politically sensitive). (**Appendix 2**: Internal Gateway Review process).

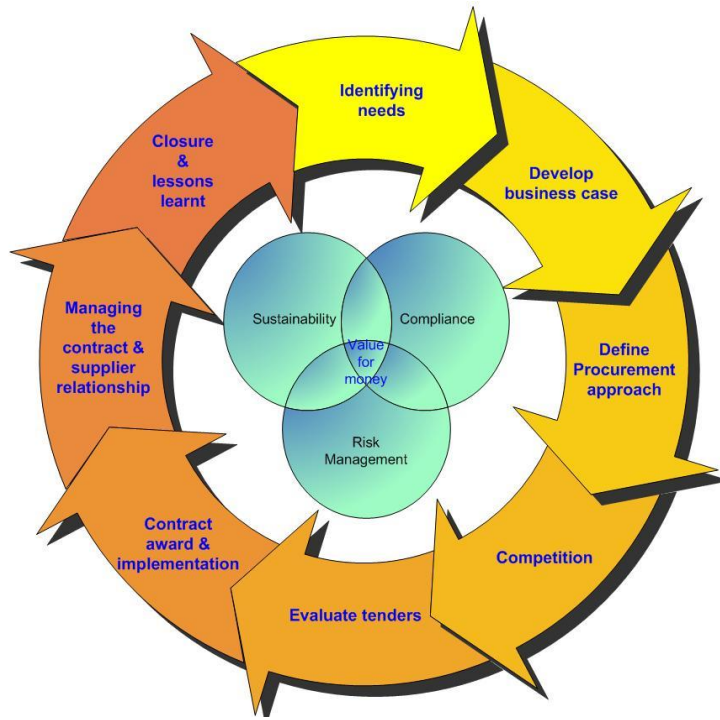


Figure 1

The outcomes we want to achieve are

- Value for money is achieved for the County Council and the people of Cumbria
- The Council's priorities are delivered and services effectively meet need
- High quality, timely, professional and innovative Procurement and Contract Management support and services are provided
- Sustainability and Socio, Economic & Environmental benefit clauses are incorporated into contracts, wherever relevant and proportionate to do so
- Maximise the impact and value from our contract expenditure
- Local organisations are supported to bid for and win our contracts
- Employees within the Council are paid a Living Wage and other employers are encouraged to do the same through procurement

In order to ensure that the outcomes are met the Council will:

- Buy responsibly at all times
- Put in place robust, simple and legally compliant procedures
- Implement a development plan to train, coach and mentor those involved in procurement related activity
- Embed a culture of strong contract and supplier management
- Work with the third sector, our partners and other public sector bodies
- Proactively engage with the local supply base
- Achieve value for money services

Themed Objectives (To deliver the Vision)

Areas of focus						
Achieving Value For Money services	Buying 'responsibly'	Rigorous and robust Corporate Procurement and Contract Management procedures & processes	Learning & Development and continuous improvement	Embedding a strong culture of both Supply Chain and Contract Management	Working effectively with 3 rd Sector, and more widely, with other Public Sector bodies	Proactive engagement with Local Supply base
Challenge and question commissioning & Procurement exercises at various stages, to see if we could buy more effectively and efficiently (Appendix 3)	Ensure that sustainability and socio, economic benefit clauses are applied, where appropriate and proportionate in all Procurement exercises (Appendix 4)	Review and standardise procedures and documents to ensure they are legally compliant and fit for purpose, removing duplication and unnecessary bureaucracy (Appendix 5)	Ensure all personnel undertaking Procurement exercises have appropriate skills and knowledge. Ensure officers adhere to the commission & Procurement cycle (Appendix 6)	Engage with strategic suppliers supporting the Council to deliver its objectives, and ensure that these contracts are managed effectively. Ensure VFM throughout the contract duration (Appendix 7)	Engage and develop 3 rd Sector provision. Optimise collaborative/shared services opportunities nationally, regionally and locally, within the context of the Council Plan (Appendix 8)	Ensure local supply base proactively advised on our procedures and current opportunities available to them. Track our influence through the Local Multiplier Effect (LM3) (Appendix 9)

NOTE: **Appendix 1:** Commissioning & Procurement Cycle
Appendix 2: Internal Gateway Review process

3. About Cumbria

Geography

With an area of 676,724 hectares (2,613 square miles), Cumbria is the second largest County Council area in England (after North Yorkshire). The county includes the districts of Allerdale, Barrow, Carlisle, Copeland, Eden and South Lakeland.

As a Council, we are required to deliver a vast range of services across the whole county. The logistics of this presents a huge challenge.

Economy

In 2013, the Council undertook spend analysis on its expenditure for the financial period 2011/12. Findings identified that the Council has approximately 1,707 payees and an expenditure of £330,454,859. The totals include spend across all budget areas but exclude payments to suppliers under £5000. Over three quarters (78.8%) of this spend was received by organisations with a Cumbrian invoice address.

These figures show a high percentage of businesses in Cumbria winning work, providing works, services and goods to the County they live and work in. In the last quarter of 2013, analysis demonstrated 86% of contracts were awarded to Cumbrian SME's.

Poverty and Deprivation

As part of the Council's contract management process and analysis of procurement spend, the Council is applying the Local Multiplier Effect (LM3), when considering how money spent through commissioning and procurement is circulated within the Cumbrian economy. This analysis should help identify areas of deprivation in Cumbria, and through application of community benefits and social value in contracts enable us to work with suppliers to attract and influence investment in these areas.

Increasingly, the Council is applying social benefit clauses to contracts which in turn requires providers to deliver a variety of benefits e.g. apprenticeships, training and job opportunities.

Commissioning & Procuring of Works, Goods & services and challenges the Council faces

- **Tendering**

The Council has a web portal called The Chest, which enables organisations to tender more effectively, with the aim to achieve value for money. Due to the geography of Cumbria and types of contracts, some are divided up and carry with them a relatively high percentage of local suppliers. As mentioned below under Area Planning, detailed identification of needs assessment is undertaken during the early commissioning process during all tender exercises and this will subsequently inform the decision making in relation to how we got to the market.

- **Area Planning**

In terms of the Area Planning process, the procurement of goods, works and services will be influenced through early assessment of need i.e. research, planning and supplier engagement through the commissioning phase. This initial assessment of need and business intelligence will ultimately determine how we procure, and in many situations, corporate and/or county-wide tenders best lend themselves to being aligned to the six District footprints.

- **Health & Care Services**

Cumbria has an older population profile than England & Wales, with lower proportions of residents in younger age groups and higher a proportions of residents in older age groups. 21% Cumbria's population is aged over 65 years – higher than England & Wales (16%).

Cumbria's population is ageing rapidly, particularly in rural areas. Since 2001, the number of residents aged over 65 has increased by 15%, a faster increase than the national average of 11%. In addition the number of young people aged 14 and under has decreased in Cumbria over the last decade by 9.6% compared to an increase of 0.6% in England and Wales. The increasing numbers of older people and especially those over 85years places significant pressures on adult social care and health services. This is in the context of a fall in the working age population which poses difficulties in recruitment and retention of staff for both services and providers.

In order to promote health and wellbeing and to reduce the demand for statutory services there is an increasing focus on developing community assets to support people with low level needs. Whilst the profile of the population of over 65s is increasing many of these people remain in good health and are an asset to their communities through their volunteering capacity.

Everyone faces the challenges of providing high quality, integrated and accessible services that reflect the needs of the population, offer choice and improve health and wellbeing. These challenges are faced everywhere, however, the scale and nature of the challenge in Cumbria is compounded by our geography, an ageing population and the expected pressure on future resources. Meeting these challenges requires radical change.

Health outcomes are poorest in Barrow-in-Furness and Copeland. Barrow-in-Furness is the third most deprived district in England in terms of health. In contrast both Eden and South Lakeland have high levels of health and wellbeing. Cumbria's overall performance in a range of health and wellbeing indicators disguises significant inequalities in health outcomes. There is a 19.5 year gap between the wards with the highest and lowest life expectancies in the county, with life expectancy in some areas 8.4 years below the national average. The main causes of premature mortality in Cumbria are cancer (particularly lung cancer) and circulatory disease.

With the exception of Eden and South Lakeland, substance misuse, especially alcohol, is a significant issue in Cumbria. The problem is most pronounced in Barrow-in-Furness which has some of the highest rates of alcohol related harm in England and levels of serious drug misuse

significantly above county and national averages.

- **Children's Services**

Across Cumbria, child poverty is a major challenge, 66% of child poverty is concentrated in the deprived urban areas, and the rest are in pockets of deprivation in rural communities across the county. There are significant health and attainment inequalities where child poverty is most prevalent.

- Cumbria has high levels of childhood obesity;
- In 2011 hospital admissions for alcohol-related conditions in children and young people were 4th highest in England;
- Hospital admissions for substance misuse are considerably worse than the national average;
- 10,500 children and young people between 5-15 will have a clinically diagnosable mental health disorder;
- Cumbria has a higher rate of suicide and self-harm among the under 18s than the national average;
- Children achieving a good level of development at Foundation Stage Cumbria is below the national average;
- 2,029 have a statement of Special Educational Needs, 1,243 have English as a second language, 2,780 are of black or minority ethnic heritage and 113 are Gypsy Roma Travellers.

- **Environment & Community Services**

Environment and Community Services directorate delivers a set of services that shape Cumbria as a place, the lives of residents and the experience visitors have when coming to the county.

Our Highways Transport and Fleet teams cover highways management and maintenance of the majority of the county's highways network, community transport solutions, home to school/college transport as well as provision for Special Educational Needs and Disability Transport as well as the development of sustainable transport solutions for the county and the management of the council's fleet of vehicles.

The Community Services teams manage the council's library service – its buildings, stock and staff resources and a library service to schools. The Archive Service fulfils the council's statutory responsibility for the care of records in its custody under the local Government Act (1974) and Public Records Act (1958)The registration services provides the front line services for the legal process of registering births and deaths, civil marriages and civil partnership. Adult Community Education organises and delivers the majority of our provision through Adult Education/Community Development Centres, plus some independent providers. Between them they have around 150 outreach locations. This area is also responsible for the provision of the Coronial Service

- The Environment and Regulatory teams are responsible for waste management services and arranges the disposal and processing of household waste and the provision of household waste recycling centres. The planning services include minerals and waste planning and policy for the area outside of the Lake District and for planning

applications for County Council developments and work with district councils and other stakeholders on the local development and infrastructure plans. Trading Services promote a fair, healthy and safe trading environment in Cumbria by ensuring compliance with regulatory legislation, protecting consumers and supporting local businesses. Environmental teams deliver a range of services across the themes of the natural and historic environment to enable other Council Services to deliver statutory functions, to ensure sustainable development and to reduce the Councils environmental impact, and our Resilience team is responsible for ensuring that the council is prepared and capable of responding effectively to “Emergencies” as defined by the Civil Contingencies Act 2004 and develops suitable contingency and business continuity arrangements. The council’s Health and Safety team support staff by helping to ensure a safe and healthy working environment and methods of work which will in turn assist them in delivering high quality services to the people of Cumbria.

Environment and Community Services also includes responsibility for economic development activities which include supporting the both the council and the Local Enterprise Partnership objectives by securing additional funding, provision of project development and management and fulfilling accountable body functions required to access national and European Funding to support business growth across the county. Other activities include the Port of Workington, and project delivery of Connecting Cumbria – superfast broadband roll-out across the county.

Cumbria Waste Management

Cumbria’s Waste Service is responsible for dealing with some 175,000 tonnes of waste. For direct disposals by householders, it does that via 14 Household Waste Recycling Centres. For disposals from the County’s 6 District waste collections, it does this via a network of 2 waste transfer stations, 2 Mechanical Biological Treatment plants and 3 landfill sites.

Of this, some 123,000 tonnes is treated through Mechanical Biological Treatments and 48,000 tonnes is processed at the Household Waste Recycling Centres.

The County Waste Service is also responsible for funding both District and Third Party waste recycling collections, amounting to some 89,000 tonnes each year, and works closely with the 6 Cumbrian Districts under the banner of the Cumbria Strategic Waste Partnership.

4. The national, regional and local context

National Context

There are many challenges facing Local Government at present, arising from the changing needs of the citizens and communities within Cumbria, as well as the impact from Central Government's reform agenda, including the national Procurement strategy, EU legislation and current global economic pressures. These, combined with the extended period of austerity measures, means that corporate commissioning and Procurement activities must be highly flexible and responsive, in order to meet these challenges and deliver the maximum cash and non-cash savings required.

Local Context - Council Plan 2014 - 17

The Council Plan provides the strategic direction and vision for the organisation, clearly stating the Council's main priorities and aspirations for the people of Cumbria. The Sustainable Procurement Strategy fits hand in glove with this, thereby providing a more detailed level of understanding in terms of how the corporate commissioning, Procurement and contract management processes underpin the delivery of these higher level priorities and objectives.

The Medium Term Financial Plan, agreed at Full Council in February 2014, also provides important context for this strategy. After consultation with the public and partners, elected members agreed to reduce the overall value of spend on contracts and to bring together all commissioning, procurement and contract management activity into one centralised function. The Council is faced with huge financial challenges where it is expected to delivery over £80m of savings during the lifetime of this Strategy. Not surprisingly, procurement activities will need to drive out efficiency savings whilst securing quality goods, works and services.

Across the organisation, it is important to ensure that all the Council's commissioning and procurement and contract management activities are undertaken in a more integrated, flexible and robust manner, in order that they fully contribute towards the achievement of the Council Plan: 2014-2017 priorities.

A fully integrated and strengthened corporate approach to Commissioning, Procurement and Contract Management (which now also includes Public Health responsibilities) will be developed and implemented within the Council, following a corporate cross-cutting review of Procurement, Commissioning and Contract Management activities. This new delivery model will deliver our policies and procedures and fully support the Council's desire to deliver high quality services to those who have the need to utilise them. The Council will act responsibly and be honest and transparent in our decision making processes. Such activity must be cognisant of, and fit with, increasingly personalised service needs (in response to public demand for choice and control) in areas such as vulnerable children and adults.

The adoption of Socially Responsible Public Procurement (SRPP) will be progressed in all relevant tenders through, for example, the application of strategic and operational clauses and evaluation criteria, including social value, creation of jobs and training opportunities, carbon

reduction, sustainable supply chain, designing contracts so they are accessible to smaller organisations. (The subsequent action plan has now been fully implemented across the Council). This will build on the Council's existing good practice for example:

- The measurement of 'food miles' in food and supply distribution contracts
- Construction contracts requiring bidders to demonstrate commitments to sustainability through application of BREEAM building standards and sustainable supply chains
- Over 50% of our Highways contracts have been awarded to local contractors
- Construction of a Barrow Care Home identified training and job opportunities and use of local sub-contractors and sustainable supply chain
- Over 45% of recent Adults Social Care Framework contracts were awarded to the Third Sector.
- Recent analysis demonstrated in excess of 86% of recent contracts were awarded to SME's
- Council departments are now applying socio, economic and environmental clauses within contracts, where relevant and proportionate

Over the past twelve months or so other achievements include:

- Delivery of over £400,000 cash savings, whilst also supporting all directorates in their delivery of corporate savings through contracting activities
- Increasing the proportion of contracts won by local organisations
- The production of detailed corporate guidance relating to the wider Commissioning/Procurement cycle (through the provision of process mapping at each stage in the cycle)
- Work with Local Partnerships in producing a toolkit for internal Gateway Reviews (which the latter is now rolling out commercially on a national basis), to review various high value/risk projects on a corporate basis
- Production of a detailed library of example socio, economic and environmental clauses to be considered and applied throughout the Council
- Successful transfer of Public Health into the Council on 1st April 2013 (and currently supporting the team with future commissioning activities)
- The transfer out of the Council's 'soft' Facilities Management services into a new legal entity on 1 April 2013
- Participation in national Gateway Reviews in other public sector bodies
- Work in conjunction with Economic Development colleagues and District Councils, working with NDA and Sellafield Ltd to improve the use of the latter's local supply chain and application of social clauses in its contracts
- Provision of Contract Management training sessions across the Council
- Production of a report with Economic Development colleagues on how the Council's spend impacts on the local economy
- Provision of Procurement services to Copeland, Carlisle and South Lakeland and Eden Council's

The principles outlined in this strategy will be applied to all commissioning, procurement, and contract management activities, and will be delivered within the Council's Contract Procedure Rules, as set out in the Council's Constitution.

5. Our vision, outcomes, priorities

Corporate guiding principles:

Over the next 4 years the Council commits to:

- Buying responsibly at all times. The Council will ensure public funds are spent appropriately whilst taking into consideration sustainability, equalities and diversity. In achieving best value for the people of Cumbria the Council must still observe the EU Treaty principles and observe and demonstrate transparency and fairness.
- Using robust, simple and legally compliant procedures. The Council will review and standardise procedures to ensure they are legally compliant, but remove duplication and unnecessary bureaucracy (both for the Council and its Suppliers).
- Implement a development plan to train, coach and mentor all Procurement and contract management staff, and to review Procurement and contract management practices throughout the Council. The Council will ensure all staff with a responsibility for Procurement and/or commissioning have the tool and knowledge to do their roles effectively. Therefore, the Council will learn lessons from Procurement activities undertaken and continually develop, and communicate, its processes and procedures to ensure that the Council is not only meeting, but is leading the way, through best practice.
- Embedding a culture of strong contract and supplier management across key the Council's Procurement and commissioning activities. Clear roles and responsibilities will be identified for both the Council's and supplier personnel, to ensure contracts are managed appropriately and effectively throughout their lifetime, in order to ensure Value For Money is achieved at every milestone, and any potential issues are highlighted and resolved before any impact or effect is seen on our service users.
- Work with its partners and others public sector bodies to enable greater efficiencies and leverage in the future.
- Reach out to the local supply base, encouraging and support them to work with the Council. The Council has a responsibility to its local communities and a strong commitment to promote economic development. The Council will balance the priorities of business decisions and supporting the local economy, whilst complying with legislation and regulation governing public Procurement. To offer the best in terms of delivering outcomes and reflect the complexity and maturity of markets and the associated supply base, a 'mixed economy' model is most the most appropriate approach.

In turn, these commitments will:

- **Drive greater efficiency**
- **Support local growth**
- **Improve service delivery**

The aforementioned three aims very much reflect the draft National Government Local Procurement Strategy: November 2012

Implementing this Strategy will lead to the following deliverables:

1. Maximise cash and non-cash savings from all corporate Commissioning and Procurement exercises, and subsequent Contract Management activities,
2. All Procurement exercises are legally compliant,
3. The Council is able to procure cost effective, timely and quality services that meet the needs of the people of Cumbria,
4. Maximise the use of 'Cumbrian public sector contracts', through being the lead procuring organisation, and/or through shared services collaborative arrangements. Be in a position where the Council will be able to annually track the effect of its spend in the Cumbria economy, by accurately tracing the money the Council spends both within our local supply base, and out through their own suppliers, to see how we really make an impact in the local economy. Increase the percentage of local Cumbrian companies submitting bids for tenders/RFQ's,
5. Experienced, flexible/adaptable and timely Corporate Commissioning, Procurement & Contract Management advice and support will be provided, including full knowledge transfer and development, where appropriate. The Council will research and develop in a robust fashion, thereby ensuring we keep up to date with changing patterns in national best practice and legislation more widely and apply them in terms of strategic fit within a Cumbrian context. The Council will be experienced in carrying out internal and external 'Gateway Reviews', where required, identifying where improvements can be made/knowledge transferred, and risks mitigated against,
6. Produce robust national and local business and market analysis about the relevant supply base, pertaining to all commissioning and subsequent procurement activities,
7. Provide experienced, flexible/adaptable and timely integrated procurement and legal advice and support,
8. All Commissioning, Procurement and subsequent Contract Management activities proactively managed (risks identified, managed and mitigated against). The Council will develop more robust Contract Management regimes throughout the Council,
9. Support provided to Cumbrian SME's, where legally able to do so,
10. Support provided to local suppliers, where legally able to do so,
11. Support provided to Third Sector, where legally able to do so,
12. Have positive working relationships with our strategic suppliers. (Local organisations, including SME's and Third Sector). The Council will be fully engaging with stakeholders and suppliers in a planned, co-ordinated and timely manner, throughout all commissioning and subsequent procurement processes,
13. Procurement processes are easily accessible to all, ensuring the process is as lean as possible, thereby minimising bureaucracy. All documentation will have been

standardised, and where appropriate, made electronic, for internal and external use, in order to reduce risk, increase productivity and support the external supply base,

14. Wherever possible, maximise end user and stakeholder feedback regarding existing and future commissioning and procurement exercises,
15. Capitalise on the ability of the team working across other functions, thereby facilitating and supporting change where appropriate,
16. Achieve optimal balance between the use of national, regional and local contracts and frameworks within the context of the Council Plan, its Economic Ambition Plan and the Sustainable Procurement Strategy,
17. Increase the percentage of professionally qualified Procurement personnel and strengthen Commissioning, Procurement and Contract Management skills and processes within the Council.

6. Delivering the strategy

Corporate Role

Failure to find 'best value' in the Procurement of goods, services and/or works could put the achievement of some of the Council Plan targets and objectives at risk; therefore failure is not an option. Best value, should always be sought, using the most appropriate method of procurement and contract management, within the parameters of any legal constraints. Commissioning, procurement and contract management transformation is a critical lever for reshaping service delivery and strengthening the Council's economic performance. This is a huge challenge, but one that is firmly on the agenda in every local authority. Radical change calls for new structures; stronger processes; different mind-sets; a more agile culture; a broader and deeper set of commercial skills/behaviours, and real depth of commissioning, procurement and contract management competences.

The aim is to get involved at an early stage in all commissioning, procurement, contracting activities, particularly, those considered to be high risk and/or value. It will offer professional advice, guidance and innovative experiences where appropriate, to all Directorates, thereby helping to minimise risks and maximise benefits in the wider sense. Furthermore, it will review all key commissioning and procurement exercises, where appropriate, acting in a peer review capacity, in order to see if there are any lessons learnt/knowledge transfer, which can be taken forward. Such is likely to be through routine involvement in the wider procurement process, or indeed, via a more formal internal mini Gateway Review process. **(Appendix 2).**

The role of the team is to deliver the Council's commissioning and procurement objectives and related continuous improvements/benefits across the full range of Council services, including shaping and communicating that strategy Council-wide (Effectively, a mixed economy model, based on the delivery of outcomes which reflect the complexity and maturity of markets and the associated supply base). It will be the focal point in providing specialist support, advice and leadership on all Commissioning, Procurement and Contract Management related matters. It will ensure robust internal due diligence is undertaken in relation to all these activities, in terms of EU and UK legislation. It will develop strong working relationships with both internal and external customers, as well as other partners across the commissioning and procurement community. Finally, it will develop and implement innovative and best practice approaches, where appropriate, which include challenge in relation to the identification and achievement of wider benefits realisation.

There is a legal responsibility upon all Members and Officers involved in commissioning and procurement processes as follows:

- Duty to comply with the Council's Contract Procedure Rules, as per the Constitution, Regulations and directives
- Duty to be aware and comply with current and proposed EU and UK Legislation
- Duty to act ethically
- Duty to comply with Equality Legislation
- Duty to act fairly, openly and reasonably.

We fully acknowledge the impact Cumbria County Council's commissioning and procurement activity has on the local economy and local communities, and as such, are committed to applying intelligent Procurement to support local suppliers, Third sector organisations and local communities, in order that they have the opportunity to optimise their business with Cumbria County Council. The introduction of the Public Services (Social Value) Act 2012 provides a mechanism through which we will, where relevant and proportionate, recognise and apply social value clauses in order to obtain wider benefits from our procurement exercises.

In terms of working with and across directorates, the corporate team will co-ordinate the forward 'pipeline' of commissioning/procurement activities in order to ensure the Council has early visibility and adequate lead-in to project planning; improved integrated commissioning/procurement and sequencing of activities. There are obvious opportunities for synergies and economies of scale working, for example, between Public Health and several directorates within the Council and between Children's, Adult Social Care and the policy teams. Consequently, both commissioning strategies and procurement exercises will in future be much more integrated and consist of improved business cases/options appraisals, and where required, longer lead-in timelines, in order to ensure we properly engage end users, stakeholders and prospective new bidders. Indeed, resources and processes will be centralised to optimise efficiency and effectiveness.

7. Performance managing and reviewing the strategy

The strategy will be kept under review and key activities reported through the Council delivery plan.

NAME OF ACTION PLAN/PROJECT/OUTCOME											
Code	Action	Owner	Timescale	Expected outcome of activity	Measure of success	Lead Directorate	Resources	RAG	Record of the impact this activity has made	Record any difference from the expected outcomes	Reference to evidence
	Develop and implement a new Corporate Procurement Strategy 2014-2018	Corporate Procurement	2014 – On-wards	<ul style="list-style-type: none"> Completion of objectives as per appendices 	<ul style="list-style-type: none"> Measure timeliness and impact of all objectives within Appendices 	Resources	<ul style="list-style-type: none"> Undertake national desktop research Develop and align a new strategy with new Council plan, local and central government priorities 				
	Implement and report on the recommendations from the Cabinet Procurement Review, including social value, use of clauses and economic benefits	Corporate Procurement	2014 - On-going	<ul style="list-style-type: none"> As per appendices to Strategy Increase frequency of use in tenders 	<ul style="list-style-type: none"> Monthly review and update and annual summary report 	Resources	<ul style="list-style-type: none"> Agree action plan of areas to develop Implement and develop agreed actions through Procurement team and Directorates Monitor, record and report on progress on a monthly basis 				
	Improve business processes, documents, systems and training events	Corporate Procurement	2014 - On-going	<ul style="list-style-type: none"> As per appendices to Strategy 	<ul style="list-style-type: none"> Feedback from Directorates 	Resources	<ul style="list-style-type: none"> Develop Procurement Cycle & disseminate the practice throughout the Council Develop Procurement processes and tender/guidance documentation New centralised structure in place early 2014 				
	Develop stronger	Corporate	2014 -	<ul style="list-style-type: none"> As per 	<ul style="list-style-type: none"> Feedback 	Resources	<ul style="list-style-type: none"> Create and 				

	links and positive relationships with 3rd Sector organisations and local businesses	Procurement	On-going	<p>appendices to Strategy</p> <ul style="list-style-type: none"> • Positive feedback from organisations about how we interact with them in our commissioning, procurement and contract management approach 	from 3rd Sector colleagues, local businesses and members by proxy		<p>implement a supplier engagement plan</p> <ul style="list-style-type: none"> • Work with our Economic Development & directorate teams to increase/improve supplier engagement • Develop Procurement processes & guidance to simplify the process for SME's and third sector organisations • Monitor proportion of local businesses, SME's, and Third Sector organisations winning contracts through a developed plan • Organise and attend supplier events 			
	Contribute to the achievement of the County Council's corporate objectives (ensure services effectively meet need)	Corporate Procurement	2014 - On-going	<ul style="list-style-type: none"> • As per appendices to Strategy • Improved commissioning, procurement and contract management processes and services outcomes • Reduce staffing costs by £1m in 2014/15, 2015/16 and 	<ul style="list-style-type: none"> • Regular monitoring, recording and reporting. Analysis on an annual basis 	Resources	<ul style="list-style-type: none"> • Continually seek to achieve value for money through all Procurement activity • Apply intelligence and researched best practices throughout Procurement that will support development of local suppliers, third sector & local 			

				<p>2016/17</p> <ul style="list-style-type: none"> • Reduce corporate spend by £900,000 in 2014/15, 2015/16 and 2016/17 			communities				
	Achieve value for money for the County Council and the people of Cumbria	Corporate Procurement	2014 - On-going	<ul style="list-style-type: none"> • As per appendices to Strategy 	<ul style="list-style-type: none"> • Regular monitoring, recording and reporting. Analysis on an annual basis 	Resources	<ul style="list-style-type: none"> • Ensure Procurement cycle is followed and used through contract planning in all Council directorates • Continue to monitor and record and report contract efficiencies and savings in Procurement, • Benchmark contracts with other local authorities procuring similar contracts • Undertake national research on how other public sector organisations achieve value for money • Look to implement Social Value through Procurement exercises where appropriate and proportionate 				
	Provide high quality, timely, professional and innovative Procurement and Contract Management support and	Corporate Procurement	2014 - On-going	<ul style="list-style-type: none"> • As per appendices to Strategy • Completed re-structure in place by end 	<ul style="list-style-type: none"> • Feedback 	Resources	<ul style="list-style-type: none"> • Continue to work with and support directorates in Procurement with training where required • Ensure 				

	services			2014-15			Procurement processes & documents are continually updated and disseminated across all Council directorates				
	Comply with all legislative, regulatory and best practice requirements	Corporate Procurement	2014 - On-going	<ul style="list-style-type: none"> As per appendices to Strategy 	<ul style="list-style-type: none"> Monitor and apply legislative changes and best practices as required 	Resources	<ul style="list-style-type: none"> Continually monitor changes in Procurement Regulations and apply Undertake national desktop research to monitor best practices across the Public Sector 				
	Encourage and enable local suppliers to bid for appropriate work	Corporate Procurement	2014 - On-going	<ul style="list-style-type: none"> As per appendices to Strategy 	<ul style="list-style-type: none"> Monitor, record and report changes on an annual basis Increased percentage trend in delivery of services by local suppliers 	Resources	<ul style="list-style-type: none"> Ensure visibility of contracts are regularly updated and published through the contracts register Encourage suppliers to register on our tender portal The Chest Ensure PQQ/tender documents are simplified, robust and proportionate for contracts Publish guidance on how to do business with the Council on our website 				
	Apply sustainability and Socio, Economic & Environmental benefit clauses into contracts, wherever	Corporate Procurement	2014 - On-going	<ul style="list-style-type: none"> As per appendices to Strategy Increase in added benefits through certain 	<ul style="list-style-type: none"> Monitor and record as part of a RAG review 	Resources	<ul style="list-style-type: none"> Social Clauses Toolkit recently developed by Procurement, use to implement Social Value where 				

	relevant and proportionate to do so			contracts			<p>appropriate and proportionate in all contracts</p> <ul style="list-style-type: none"> • Support and helping to develop the low carbon economic sector in Cumbria • Building resilience - reducing risk to the Council through supply chain disruption as a result of extreme weather events • Supporting businesses to be more sustainable and resilient to the impacts of extreme weather 				
	Focus on maximising the impact and value from our contract expenditure	Corporate Procurement	2014 - On-going	<ul style="list-style-type: none"> • As per appendices to Strategy 	<ul style="list-style-type: none"> • Monitor and record as part of a RAG review • Make use of the Local Multiplier Effect tool and corporately record findings • Expansion/s strengthen of local business • Increase application of social clauses • Through work with Sellafield, increase its local spend 	Resources	<ul style="list-style-type: none"> • Use Social Value statements to increase Community Benefits through Contracts • Continue to encourage, monitor and record number of local suppliers winning contracts 				

Plan
Report
Evaluate

8. Shaping the strategy

Strategy Consultation

The Council values the views of all stakeholders and has consulted widely with the market. This has included formal consultation through emails to existing suppliers and employees, meetings with the Third Sector Executive, contacting our local Chambers of Commerce, CREA and Furness Enterprise over a period of several months. We have also advertised the formal consultation through the Council website.

Feedback to date from suppliers generally, and the Third Sector specifically, has been very positive, indicating that all respondents are very pleased with both the structure of the strategy's depth and breadth, as well as its objectives moving forward.

9. Glossary and appendices

APPENDICES:

APPENDIX 1: Link – [Commissioning & Procurement Cycle](#)

APPENDIX 2: Link - [Internal mini Gateway Review process](#)

APPENDIX 3: Achieving value for money for goods, services and works

	TARGET DATES:
1. Provision of appropriate and proportionately robust business case, including options appraisal and associated risks and mitigations for each potential Procurement exercise	On-going at each contract review
2. Demonstration of national and local robust business/market intelligence undertaken, prior to identifying appropriate Procurement routes to market	On-going at each contract review
3. Demonstration of national best practices and benchmarking/target activities relating to the service or goods being procured	On-going
4. Where appropriate, an internal Gateway Review exercise undertaken at the relevant stage(s) in the process	As required corporately
5. Applying relevant and appropriate socio, economic and environmental clauses to contracts, where appropriate and proportionate to do so.	On-going

APPENDIX 4: Buying ‘Responsibly’

	TARGET DATES:
1. Develop and maintain a guide on ‘How to do business with the County Council’	Spring 2014 – on-going
2. Develop a library of socio, economic and environmental clauses to be applied to ‘services’ contracts throughout the Council, where relevant and proportionate to the contract: Reference to Public Services (Social Value) and Localism Acts.	Spring 2014 – on-going
3. Apply new contractors guide to Health & Safety	On-going
4. Deliver services in accordance with the Cumbria ‘The Compact Agreement’	On-going
5. Fairtrade – To purchase fair-trade tea and coffee for CCC properties.	On-going
6. Engaged in the local and fair committee for food Procurement	On-going
7. Encouraging suppliers to pay ‘living wage’ through our Procurement processes	Spring 2014
8. Issuing the code of conduct for contractors as part of the contract documents	Spring 2014
9. Using ‘Pass 91’ health and safety questions in our PQQ	

<p>evaluation and working closely with our health and safety department to determine low and high risk contracts.</p> <p>10. Commitment to purchase green energy through our energy contracts</p> <p>11. Using recycling in contracts where applicable e.g. lamps and tubes and mobiles</p> <p>12. Ensuring Equality Impact Assessments are undertaken where applicable in contracts</p> <p>13. Ensuring contracts, where applicable, contribute towards the Councils target to reduce its carbon emissions e.g. – supplies team and packaging, supply chain rationalisation to reduce transport etc.</p> <p>14. Supporting and helping to develop the low carbon economic sector in Cumbria</p> <p>15. Building resilience and reducing risk to the Council by supporting businesses to be more sustainable and ready for the adverse impacts of extreme weather</p>	<p>Spring 2014 –on-going On-going</p> <p>As required</p> <p>Spring 2014 - on-going</p> <p>On-going</p> <p>On-going</p>
---	--

APPENDIX 5: Rigorous & robust procurement procedures

	TARGET DATES:
1. Provide internal workshops regarding Contract Procedure Rules, new Directives and associated protocols and best practice.	Autumn/Winter 2014 – on-going Winter 2014
2. Identify 1. above on Cumbria County Council and Corporate Procurement website/internal intranet, and SharePoint	Spring 2014
3. Identify Procurement Cycle on Corporate Procurement website/intranet and SharePoint, including detailed supporting guidance around each key stage in the process	Spring 2014
4. Develop clear ‘sign-posting/indenting’ of information and guidance regarding Procurement on the Corporate Procurement web portal: The Chest	On-going
5. Application of internal Gateway Reviews at relevant stage(s) in a Procurement process	Spring/Summer 2014
6. Apply the Kraljic Matrix (routine; bottlenecks; leverage and strategic spend) to managing corporate categories of expenditure.	Spring 2014 – on-going
7. Demonstrate Corporate Procurement team and services arranged by such are at or near the top (‘good’) of national benchmarking indicators	Spring 2014 – on-going

APPENDIX 6: Learning & Development and continuous improvement

	TARGET DATES:
1. Provide tailored e-Procurement workshops to directorates and corporate E-Learning literature, based on identification of needs.	Spring 2014 - on-going Spring 2014
2. Provide information on both the Council and Corporate Procurement website and SharePoint regarding FAQ’S relating to our e-Proc system protocols, our roles and responsibilities.	- on-going Autumn/Winter 2014

<ol style="list-style-type: none"> 3. Provide joint internal Procurement and legal workshops relating to the Council’s Contract Procedure Rules, legislation, best practice and associated protocols, when undertaking Procurement exercises. 4. Develop, procure and contribute to separate external training commissions relating to both Procurement and Contract Management activities (Following skills analysis review across directorate teams). 5. Train, develop, review and maintain a flexible number of people throughout the County Council, who are capable of participating in internal mini Gateway Reviews as part of CMT Programme/Project management risk management interventions 6. Develop structured internal training for relevant directorate staff in relation to effective use of the corporate Procurement web portal: The Chest. 7. Research and share national best practice information and market intelligence (internally and via our external network) 	<p>Summer 2014 – on-going</p> <p>Summer/Winter 2014 – on-going</p> <p>Summer 2014 – on-going</p> <p>On-going</p>
---	--

APPENDIX 7: Embedding a strong culture of supplier and contract management

	TARGET DATES:
<ol style="list-style-type: none"> 1. Proactive and effective engagement of existing supply chain categories in relation to the County Council forward ‘pipeline’ of Procurement activities 	Spring 2014 –on-going
<ol style="list-style-type: none"> 2. Proactive and effective contract and risk management of existing providers across all supply chain categories 	On-going
<ol style="list-style-type: none"> 3. Contract Management inputs by Council staff (processes and procedures) must be appropriate and proportionate to the type of contract; the contract value and the risks to the County Council 	On-going
<ol style="list-style-type: none"> 4. Timely review of existing or new contracts (strategic fit; affordability; level and type of service delivery; cost; performance; future requirements; future Procurement project timetable), pre Procurement exercise 	On-going
<ol style="list-style-type: none"> 5. ‘Centralised’ management of Commissioning, Procurement and Contract Management functions, with strong links to policy and strategy teams within directorates 	Spring 2014 - on-going

APPENDIX 8: Working with 3rd Sector, and more widely, other public sector bodies

	TARGET DATES:
<ol style="list-style-type: none"> 1. Initiate early and meaningful supplier/stakeholder engagement events, prior to undertaking any Procurement exercises (where appropriate, providing historical spend and performance trends and likely future spend/performance and specification needs; timetable; Procurement routes to market, and including the 	Spring 204 - on-going

<p>development of an hypothesis</p> <ol style="list-style-type: none"> 2. Review and discuss the Council forward ‘pipeline’ of activities with the prospective category supply chain, in relation to directorate commissioning and procurement activities 3. Develop Shared Services activities with other public sector bodies (Acting as lead body; using other national, regional or local contracts). 4. Participate in development of Sellafield supply chain across all its contracts and frameworks 5. Applying relevant and appropriate socio, economic and environmental clauses to contracts, where relevant and proportionate to do so. 	<p>Spring 204 - on-going</p> <p>On-going</p> <p>Bi-monthly</p> <p>Spring 204 - on-going</p>
--	---

APPENDIX 9: Engagement with local supply base

	TARGET DATES:
<ol style="list-style-type: none"> 1. Develop supportive and informative document about ‘How to do business with the County Council’ 2. Meet with local supply base categories on ‘How to do business with Cumbria County Council’ 3. Undertake early and meaningful stakeholder/supplier engagements for the majority of tenders that organised by the Council 4. Ensure directorates maintain strong and current relationships with their various category supply bases 5. Review and proactively manage the County Council forward ‘pipeline’ of activities with various category supply chains, in relation to directorate commissioning and Procurement activities 6. Continued and positive engagement and relationships with Sellafield Ltd and NDA colleagues in relation to the development of the Cumbria Supply Chain 7. Sign up to the Small Business Concordat and make contracts more accessible to SME’s, especially those with less than 50 employees. 	<p>Spring 2014 – on-going</p> <p>On-going</p> <p>Spring 2014 –on-going</p> <p>On-going</p> <p>Quarterly</p> <p>Bi-monthly</p> <p>Spring 2014</p>

REFERENCES:

Websites

- [Community Right to Challenge](#)
- [Cumbria Compact Agreement 2012](#)
- [Cumbria County Council's Benefits realisation guidance](#)
- [Cumbria County Council's Contract Procedure Rules](#)
- [Cumbria County Council 'Pipeline' of future planned contracts](#)
- [Cumbria County Council's Procurement Cycle & Process Mapping guidance](#)
- [Cumbria County Council's Risk Management model](#)
- [Cumbria County Council Sustainable Procurement](#)
- [Economic Growth](#)
- [European Commission 'Buying Social'](#)
- [EU Procurement Directive](#)
- [EU Procurement Directive & Regulations](#)
- [Kraljic Matrix: A method by which we categorise goods and services and formulate the correct Procurement option and proportionate approach to risk](#)
- [LGA Commissioning for better public services](#)
- [Localism Act](#)
- [Local Government Procurement Strategy: 2012](#)
- [Local Multiplier Effect Definition](#)
- [Local Partnership Gateway Reviews](#)
- [My Community Rights](#)
- [Public Sector Equality Duty](#)
- [Social Value Act](#)
- [Sustainable Procurement Strategy for Local Government](#)
- [The Social Enterprise Guide](#)
- [Economic Ambition Plan](#)
- [Council Plan](#)

Translation services

If you require this document in another format (e.g. CD, audio cassette, Braille or large type) or in another language, please telephone 01228 606060.

আপনি যদি এই তথ্য আপনার নিজের ভাষায় পেতে চান তাহলে অনুগ্রহ করে **01228 606060** নম্বরে টেলিফোন করুন।

如果您希望通过母语了解此信息，
请致电 **01228 606060**

**Jeigu norétumėte gauti šią informaciją savo kalba,
skambinkite telefonu 01228 606060**

**W celu uzyskania informacji w Państwa języku proszę
zatelefonować pod numer 01228 606060**

**Se quiser aceder a esta informação na sua língua,
telefone para o 01228 606060**

**Bu bilgiyi kendi dilinizde görmek istiyorsanız lütfen
01228 606060 numaralı telefonu arayınız**