

## Appendix 1

### Procurement Strategy Implementation 2014/15 - Headlines and Key Achievements

#### Cross Cutting Achievements

During 2014/15 procurement has made a significant contribution to the delivery of the Council's strategic priorities:

- A total of 118 contracts with a total value of £99.2m awarded as a result of procurement activity
- Savings delivered through procurement - full year effect: £5.87m
- £59.4 million injected into the local economy; 60% of total value of contracts awarded to Nottingham City suppliers
- 210 FTE employment and training opportunities created
- Recognition through the National Government Opportunities (GO) Awards for innovation in public sector procurement (Innovation or Initiative Category). The award praised the Council's approach to jointly commissioning and procuring services for the local Deaf community and recognised the work undertaken to involve citizens from the local Deaf community to procure better services.
- A recent independent audit of the Council's procurement processes evidenced compliance with procurement regulations and that social value is considered.
- Strong drive towards income generation initiatives – Commercialism is central to our organisation's key policies, and procurement now plays a key role in looking to market its expertise to businesses locally. The procurement team are now leading procurements on behalf of a local charity and partner organisations. Furthermore, the market development teams have generated income through quality improvement workshops and carrying out market intelligence for partner agencies.
- Joint working with legal services to respond to the new EU Procurement Regulations as implemented in the UK in the Public Contracts Regulations 2015

#### Delivery against key Strategy priorities – by Category

Category	Total Contract Value Awarded	Total Local Contract Value	% Local	Savings	% Savings	No. of Jobs Created
Care, Support & Health Improvement	£16,829,353	£10,183,949	60%	£3,991,152	24%	127.5
Construction & Property	£52,846,433	£37,760,883	71%	£320,585	1%	63.7
Corporate Services	£7,913,434	£585,505	7%	£598,654	8%	0
Facilities Management	£3,714,756	£2,369,582	64%	£384,767	10%	0
Leisure, Environment & Community Services	£8,760,971	£6,811,409	78%	£254,680	3%	7
Transport	£9,149,232	£1,693,785	19%	£325,500	4%	12
<b>Total</b>	<b>£99,214,179</b>	<b>£59,405,113</b>	<b>60%</b>	<b>£5,875,338</b>	<b>6%</b>	<b>210.2</b>

## **Achievements against Procurement Strategy aims**

### ***Clear messages to all organisations who wish to work with / deliver business on behalf of Nottingham City Council***

An extensive engagement and communication plan was developed for the launch of the procurement strategy. A successful strategy launch was held with key partners and providers with formal press releases issued through the local media. Internal communications including presentations were delivered to CLT and DLTs.

Continued business and procurement support is being provided to organisations who wish to work with / deliver business on behalf of the Council through workshop, training and consultancy support.

### ***Set out how Nottingham City Council's spending power, through procurement, will be used to drive new targets for the top priorities:***

- ***increase investment with local organisations*** – During 2014/15 a total of £59.4 million has been injected into the local economy through the Procurement Strategy. Contracts awarded to Nottingham City suppliers represented 60% of total contract value awarded and 76% of all contracts awarded within the East Midlands.
- ***create jobs*** - 210 full time equivalent employment and training opportunities created through contracts awarded
- ***support early intervention and value for money services for vulnerable citizens*** – implementation of robust contract management processes to drive up standards and ensure quality, safe services. Review and development of quality monitoring processes and information for citizens to inform choice of services. Tender processes have been developed to involve citizens and carers and citizens have been involved in the development of services and tender evaluation for a number of tenders.

We have moved to an early intervention approach with more efficient models of service delivery. The development of the Nottingham Circle involved learning from National models before undertaking procurement. This procurement involved pump-priming a social enterprise to enable them to develop a sustainable model that was not reliant on local authority funding. The Circle has recently started to impact upon local communities providing support to citizens and the pump priming has now ended.

- ***support the green agenda*** – engagement with regional and partnership working around good practice and sustainability, including D2N2 group and Green Theme Partnership. The procurement of electric buses illustrates how procurement is supporting the delivery of the City's sustainable transport and energy policies. The city is moving towards becoming a trailblazer through the introduction of a low carbon transport network exemplified through the expansion of the NET tram network with two new lines due to open in 2015, Europe's largest fleet of fully electric contracted bus services on the Linkbus network, electric car charging points at key Park and Ride sites and an overnight direct line electric feed from the city's local waste generator to our local bus depots and stations. The Council supplies its own buses for Linkbus services as this reduces costs and opens up operational tenders to smaller

companies which might be able to tender with their own buses. These buses are now being replaced by the Council's new fleet of electric buses. The fuel savings from electric buses are significant and there are reduced maintenance costs. Based on the anticipated fuel savings alone, the 'payback' period of the additional cost of purchasing green buses is under 2 years. There are also carbon savings of around 40% over a conventional diesel bus. A contract totalling £3.5m has just been placed for a further 13 buses and associated charging equipment. £1.4m of this was from a green bus grant.

- **Create a revenue stream to support the Nottingham Jobs Fund and Employer Hub** - Pilot and process developed for 1% levy to be applied to procurement of all new contracts (excluding care, support and health) above £200k total contract value. Arrangements for monitoring and administration of 1% levy income established. Project register adjusted to report estimated and actual funding released from each tender.
- **Review procurement governance to increase councillor and citizen influence** - New Commissioning and Procurement Sub-Committee established with representation from portfolio holder for Procurement to give oversight to procurement contracts.
- **Ensure that the Procurement Function and processes are aligned in the best way to deliver the Strategy** – A new Procurement Team has established in Early Intervention Directorate to deliver one procurement function. Category management is embedded and there is a strategic, commissioning led approach. One procurement plan for all procurement activity is in place and published on the website. A project register has been developed to monitor the impact of the Strategy including savings and progress against economic, social and environmental targets. A review of procurement processes has progressed to support a clear and consistent procurement approach, including the establishment of a toolkit of documents and guidance. A new corporate e-tendering system has been implemented in collaboration with regional partners.

## **Strategy Implementation – Next Steps**

The implementation of the strategy will continue at pace throughout 2015-17. There will be new opportunities for local suppliers with the Council continuing to further develop its procurement processes to continue to deliver best value, support innovation, stimulate growth and ensure maximum benefits to the citizens of Nottingham. Priorities for 2015-16 include:

- Piloting the levy for funding the Employer Hub
- Developing and implementing a business charter that will form part of our local agreement with suppliers
- Developing market development to support local businesses to tender for services
- Providing open and concise information on our procurement plans
- Implementation of the new national procurement regulations
- Review of governance arrangements including for implementation of the 'Make or Buy Challenge' Policy