

Buro Happold the engineering of excellence

Improvement and Efficiency in Local Government Procurement

**APSE Seminar – Taking Stock; Moving Forward
12/13th March 2009**

CSR 07 - Transforming public services

Development of LG strategic procurement themes since CSR-04

1. Transforming public sector procurement
2. Managing performance to managing outcomes
3. Contract management to strategic commissioning
4. Managing ambiguity
5. Regional Collaboration – shaping markets, building capacity and capability

LG Procurement Spend -2007

RCE Study 2007

- £42bn on external contracts
 - £13bn on construction and roads
 - £12bn on commodities, goods and services
 - £6bn on adult care
 - £3bn on waste services

CSR07 – The Challenges for LG

Pre- Economic Crises Challenge

Cashable Efficiency Targets

- Business Improvement and Collaboration (BIP) - £1.8bn
- Smarter procurement (collaboration) - £2.8bn,
- Better asset management - £300m

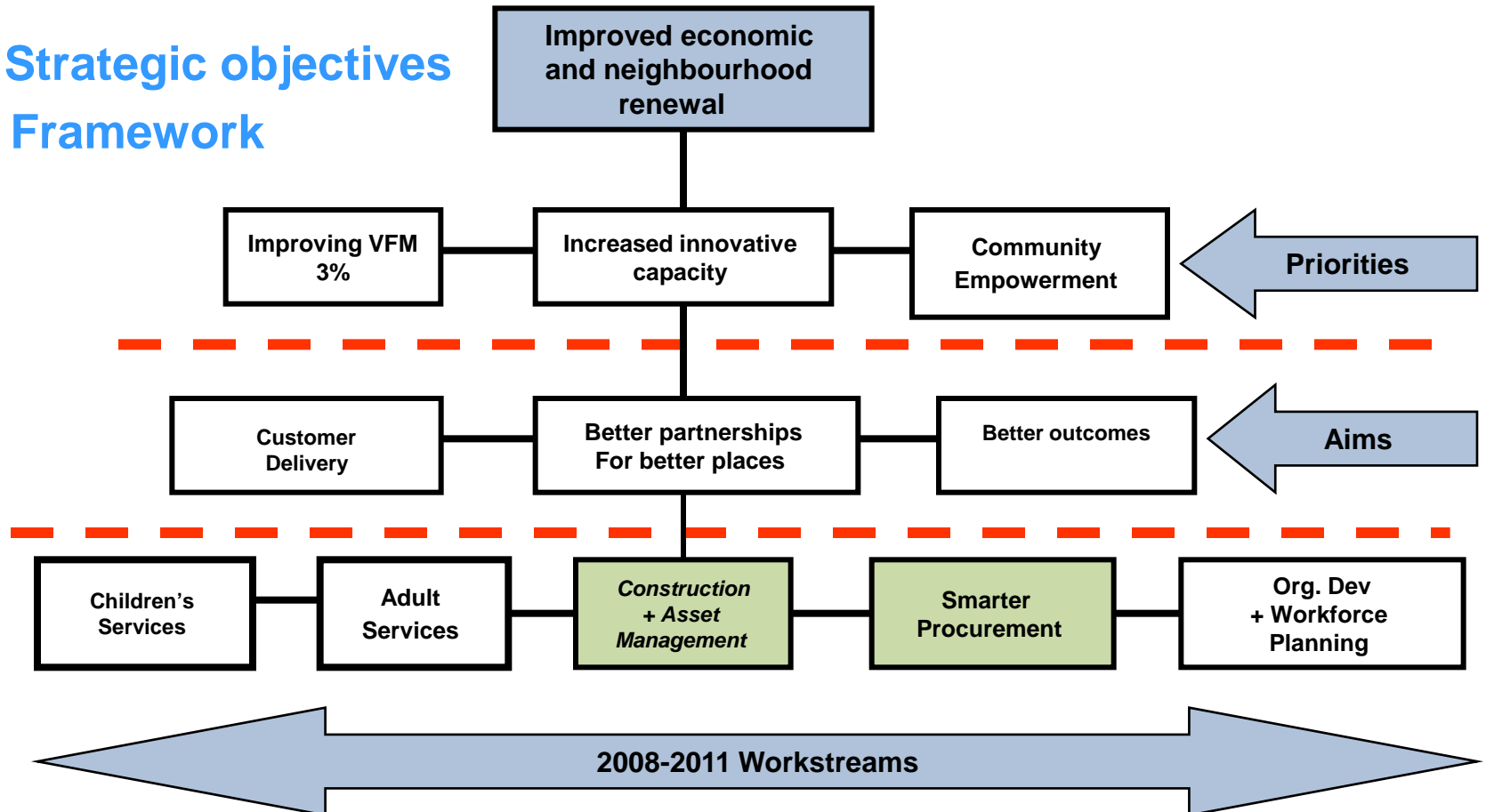
Net cash savings of £4.9bn

The Latest Challenge

- Additional **£5bn** savings across the public sector
- Wider range of social and economic outcomes
- Making the money go further
- Avoiding lowest price and adversalism

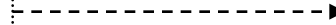
RIEP - LG service improvement + achieving efficiencies

Strategic objectives Framework



“Efficiency”

“Improvement”

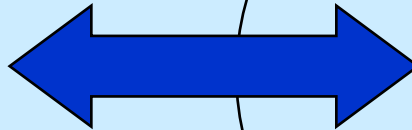


CSR04 Focus

- Efficiency
- Procurement

CSR07 Focus

- Service transformation
- Workforce Development
- Innovation
- Continuous Improvement
- Capacity Building



The Roots Review –Feb. 2009

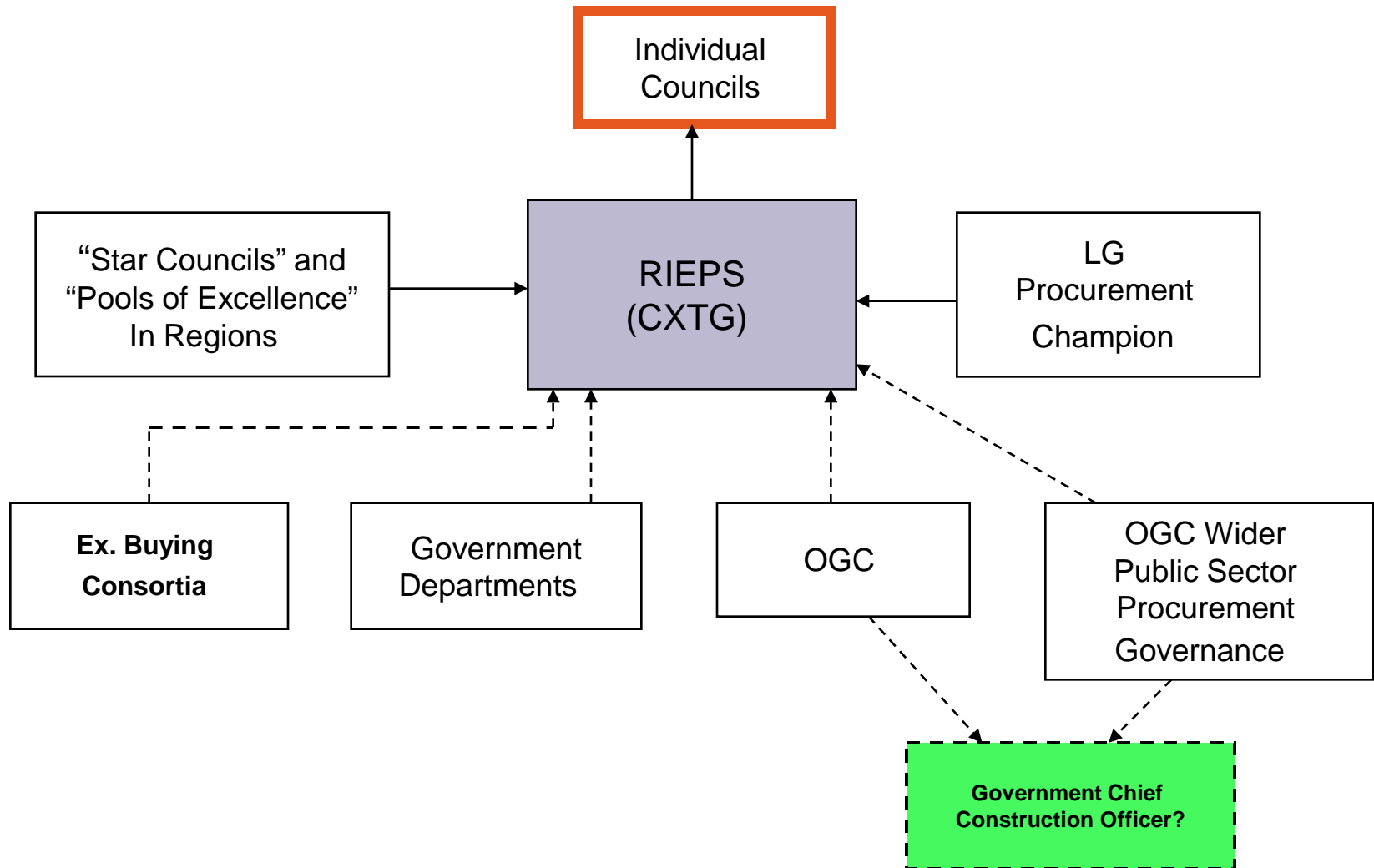
First review of LG procurement since 2001

Some Recommendations

- Procurement Champion for LG
- Focus on key spend areas
- RIEPS –conduit for “best deals”
- HMT – to promote continuity in support of RIEPs
- Regional + sub-regional solutions
- Key guidance for councils –”on line”
- Procurement champion to co-ordinate with OGC
- RIEPs to review procurement focus
- RIEPs to set up contracts database
- Improve standards of engagement with suppliers / SMEs
- Big push on collaboration across LAs.

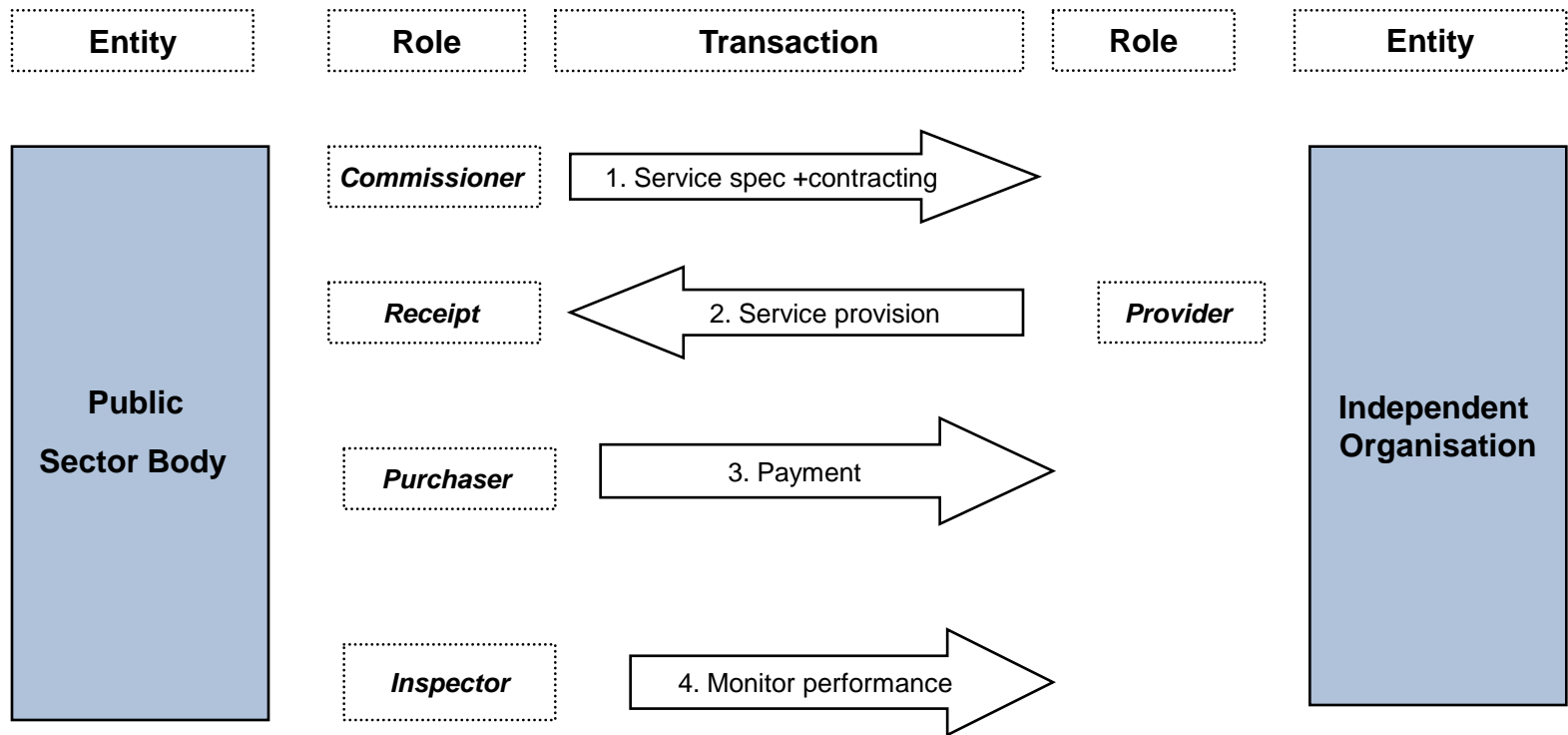
The Roots Review:

Structures for smarter procurement in local government (Feb. 09)



Procurement focus

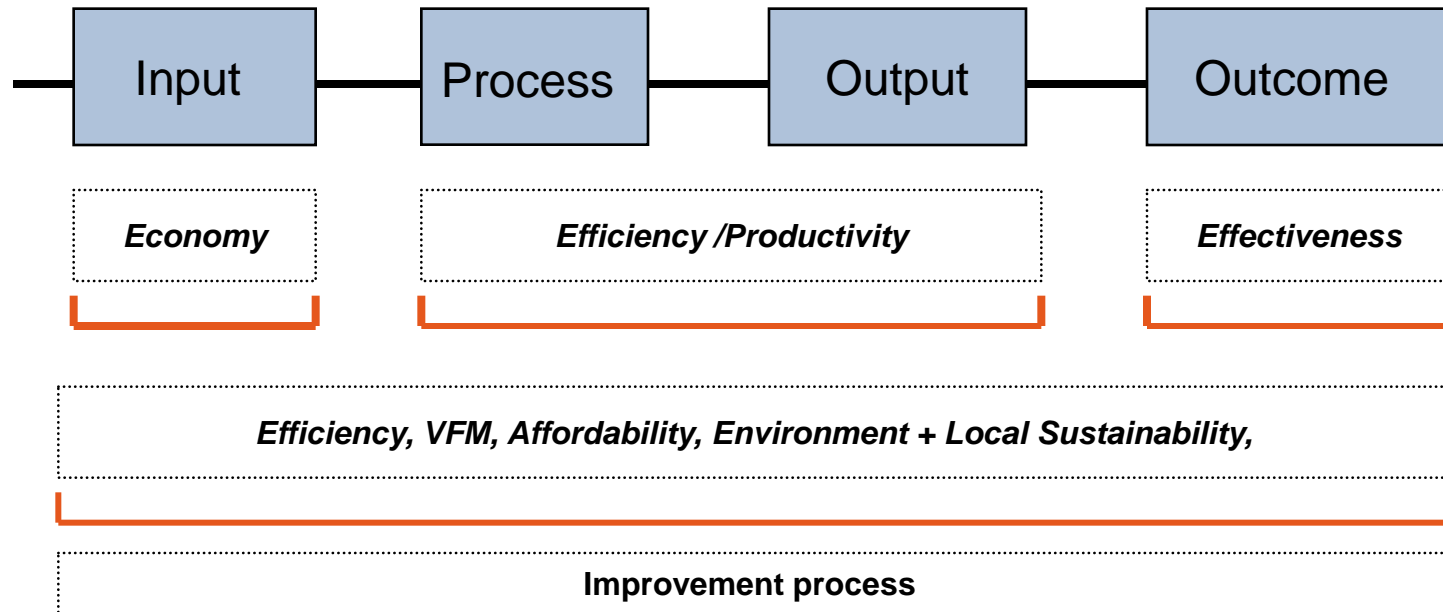
Traditional: Inputs and processes



Procurement Evolution

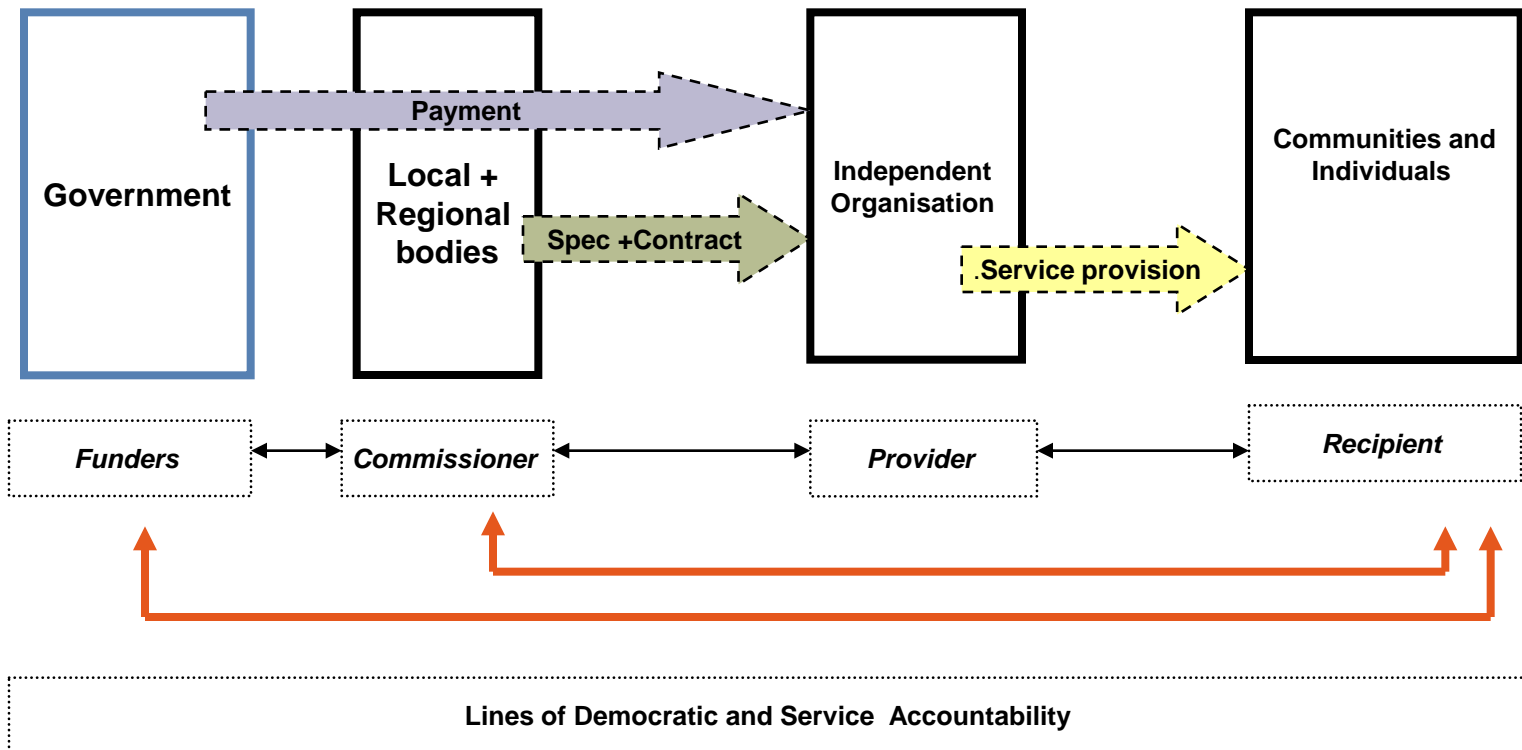
Commissioning:

- Started out to improve *inputs*
- Extended to improve *processes*
- Now applied to *outputs +outcomes*

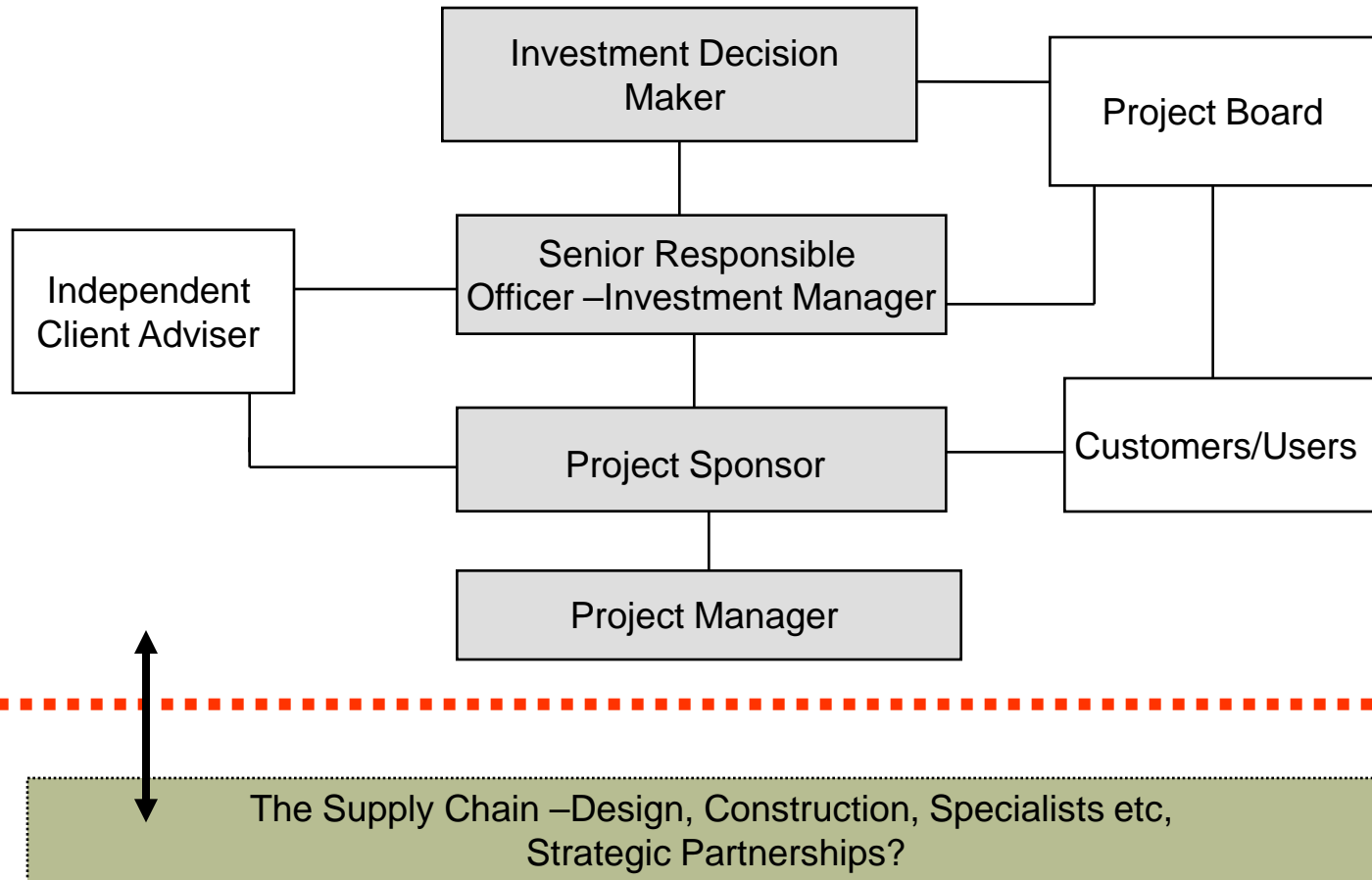


Commissioning: LAs, Providers + Citizens

Outputs and Outcomes



Public Sector: Strategic investment roles



Emerging trends for public service professionals

From fixing to creating

- 1) Concerned with sustainability:
 - individuals, communities, local and regional development

- 2) Co-production of services outcomes with:
 - service users
 - service providers
 - professionals

- 3) Cross –authority /sector working

- 4) Catalysers” **not** “Technical Fixers”
 - Commissioning, commercial and business solutions skills

Conclusion

- Public engagement in service delivery
- Transforming procurement
- VFM reform, affordability + sustainability
- Supplier innovation
- Strategic partnerships
- Regional collaboration –capacity + capability building

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