

## Appendix A - Harrow Progress Toward National Procurement Strategy Recommendations

### Theme A: Savings

Recommendations for single tier and county councils	Harrow Position	Rag Status
<p><b>1. Category Management</b></p> <ul style="list-style-type: none"> <li>• Category management helps councils to make savings by maximising value from areas of spend</li> <li>• Councils achieve savings through developing and using more standard specifications for appropriate goods and services</li> <li>• A broad understanding of the local government supply market is gained through appropriate spend and supplier analyses</li> </ul>		
Set out the rationale for a category management approach in the corporate procurement strategy	Category management is a clear part of the Savings theme within the Council's Commercial and Procurement Strategy approved at Cabinet on 17 July 2014.	G
Invest in category managers or, as a minimum, commit to the outputs from the national or regional strategies where appropriate	The structure of the Commercial, Contracts and Procurement Division (CCPD) includes 4 x Commercial Business Specialist roles (effectively category managers)	G
Identify the main spend categories in their council and have a clear category management strategy in place to ensure value for money (VFM) for these categories of spend	A full category management analysis of the Council's third party spend has been completed and has been used to inform the Using the Market group to identify cross cutting savings	G
Review existing framework arrangements at early stages of procurement to reduce duplicated effort.	The CCPD utilises framework agreements wherever possible to reduce time and effort. Consideration of framework arrangements	G

Recommendations for single tier and county councils	Harrow Position	Rag Status
	is supported through the Procurement Gateway process which has been introduced to ensure full consideration of options is made pre-procurement.	
Recognise the benefits from engaging with a national approach and ensure timely publication of data to ensure a robust analysis can take place	The Council's contract register has been updated and is now comprehensive to enable CCPD to take an early view of upcoming procurements to determine which approach (national. Regional or local) may be the most appropriate for any particular requirement.	G
<p><b>2. Partnering and Collaboration</b></p> <ul style="list-style-type: none"> <li>• Councils make savings by aggregating spend through effective collaboration or via a shared service on common goods and services without compromising the need for social value and providing opportunities for local businesses</li> <li>• Shared procurement services and shared procurement posts allow all councils to recruit, develop and retain the best procurement resource and avoid unnecessary competition between individual councils for procurement expertise</li> </ul>		
Set out their approach to partnering and collaboration in their corporate procurement strategy	A Procurement Gateway process has been introduced which ensures that challenge is included in the procurement process to determine if partnering or collaboration would be appropriate.	G
Explore opportunities to procure through existing routes to market, in particular harnessing existing shared service of PBO resources.	All significant procurements are assessed pre-procurement to identify the optimum route to market – this includes full consideration of using PBO resources and opportunities where appropriate.	
Set targets for savings or income generation from collaborative spend	Officers do not agree that it would be appropriate to set a target for collaborative spend savings or income generation. Collaborative opportunities will be considered for all procurements as appropriate; setting a target for savings from such opportunities may detract from obtaining an optimum saving.	

Recommendations for single tier and county councils	Harrow Position	Rag Status
Consider the business case for new models of delivering procurement services	CCPD is open-minded about options for delivering procurement services and will continue to explore these with other organisations.	G
Maximise the use of all available procurement resources including across council boundaries.	Harrow Council is an active partner in the WLA and utilises a number of its procurement arrangements. It has also participated in a number of pan-London procurements and is leading on others and regularly uses framework agreements put in place by PBOs.	G
<p><b>3. Contract and Supplier Management</b></p> <ul style="list-style-type: none"> <li>• A corporate approach to contract management means councils can demonstrate their effectiveness in gaining most value from contracts</li> <li>• Local authorities obtain best value from supply chains through proper relationship management</li> </ul>		
Contract management is part of the responsibilities of the councillor champion	Contract management is part of the role of the Portfolio Holder for Finance and Major Contracts	G
Integrate contract management within the council's procurement and commissioning models	Good contract management has not been consistently applied across the Council. The CCPD is completing a Contract Management Procedures document which will be rolled out by October 2014 to help raise the standard of contract management.	A
Invest resources in developing and sustaining a capacity for good contract management	This is being progressed on a phased basis. The first stage is to implement a Contract Management Procedures document. This will be followed by training and development of Council staff to ensure a common cross- Council understanding of contract management procedures. The resources required for individual contracts will need to be considered on a case by case basis.	A

Recommendations for single tier and county councils	Harrow Position	Rag Status
Demonstrate efficiency savings through better contract management	The CCPD is completing a Contract Management Procedures document which will assist to provide consistency in contract management across the Council. Good contract management helps to avoid contract 'creep' and ensure that the benefits envisaged when the contract was let are realised. Better tracking of benefits envisaged and change control procedures will assist with achieving efficiency savings in this area.	A
Scrutinises strategic contracts post award and ensures benefits are achieved	As above. .	
Councils monitor and enforce internal compliance to 'on contract spend'	The category management work undertaken by CCPD has identified a number of instances of 'off-contract' spend. Work is on-going to review the reasons for this to improve 'on-contract' spend levels.	A
Understand key suppliers and develop and implement performance indicators that are aligned with business outcomes	Key suppliers are known and understood and appropriate performance indicators are in place.	G
Identify second tier spend and activity for high value/high risk contracts	<p>Whilst the Council is aware of who key sub-contractors are in its high value/high risk contracts the Council does not currently routinely collect second tier spend and activity information. This will be introduced as and when contracts are renewed or where it has been possible to request existing suppliers to provide information.</p> <p>All high value contracts have been identified and we are in the process of identifying lower value contracts that may be of high risk.</p>	R

Recommendations for single tier and county councils	Harrow Position	Rag Status
Develop and agree exit strategies within all major contracts	Exit strategies, transition plans and mobilisation strategies are routinely considered as part of the procurement planning process and contracting procedures.	G
Expect main contractors to act fairly with supply chains and mandate timely payment to subcontractors through contract clauses	The inclusion of social value clauses within contracts and the inclusion of social value monitoring within the upcoming Contract Management Procedures document together with a review of the Council's terms and conditions of contract to include relevant clauses in all contracts will address these areas.	A
<p><b>4. Performance and Transparency</b></p> <ul style="list-style-type: none"> <li>• Supplier performance on contracts increases, and costs decrease across the whole sector through effective performance monitoring and transparency</li> <li>• Innovation and transparency is improved because councils share commercial and performance data on common goods and services</li> <li>• Published data, under the transparency code opens new markets for local business, the voluntary and community sectors, and social enterprises to run services or manage public assets.</li> </ul>		
Put systems in place to map contracts, measure spend, collect feedback and measure the benefits achieved	CCPD has mapped all contracts and measures spend on a category management basis and tracks savings, benefits etc..	G
Engage with regional or national information and data sharing	Via London Councils' boroughs (including Harrow) are using the Bravo spend analysis tool to analyse spend across the Capital. The Council's contracts register is published on the London Contracts Register portal. Harrow also shares information with the WLA to assist with collaborative procurements.	G
Insist on transparency throughout the supply chain	This issue will be picked up as appropriate as part of a review of Contractual Terms and Conditions currently on-going.	A

Recommendations for single tier and county councils	Harrow Position	Rag Status
Set savings targets that are performance managed.	CCPD is agreeing third party savings programmes with Services. This is being tracked both within CCPD but also as part of the Council's MTFS savings programme to ensure delivery	G
Publish data in relation to contracted-out services in accordance with the Transparency Code	Data is published in accordance with the Transparency Code.	G
Ensure the rights to the data created as a result of a service being contracted out remains with the council.	This issue will be picked up as appropriate as part of a review of Contractual Terms and Conditions currently on-going.	A
Extend the requirement to publish information on performance and costs to contractors	This issue will be picked up as appropriate as part of a review of Contractual Terms and Conditions currently on-going.	A
<p><b>5. Risk and Fraud Management</b></p> <ul style="list-style-type: none"> <li>Risks are identified and managed through an approach to risk management that is integral to the council's corporate processes</li> <li>Fraudulent procurement practices are identified and reduced in both the supply chain and post contract award.</li> </ul>		
Risk management should be integrated into Procurement processes. It is considered early, discussed with suppliers and regularly monitored	Risk is considered for major contracts but this is being further rolled out as a result of the introduction of the Procurement Gateway process.	A
Identify strategically important (high value and/or high risk) contracts on the risk register and regularly monitor both by officers and members	High value contracts have been identified. Work is on-going to identify in conjunction with Services any other contracts that may be of relatively low value but carry a high risk.	A
Proactively audit contracts to check for fraud	Due diligence/probity checks are conducted as part of the procurement process. Post award, through contract management	A

Recommendations for single tier and county councils	Harrow Position	Rag Status
	we ensure that goods and services have been delivered at the volume and quality we have purchased.	
Include whistleblowing policies as part of contract conditions	This issue will be picked up as appropriate as part of a review of Contractual Terms and Conditions currently on-going.	A
Require main contractors to mirror these policies in their subcontracting arrangements	This issue will be picked up as appropriate as part of a review of Contractual Terms and Conditions currently on-going.	A
<p><b>6. Demand Management</b></p> <ul style="list-style-type: none"> <li>Costs and oversupply are reduced through implementation of demand management techniques within the procurement and commissioning cycle.</li> </ul>		
Councils build in a demand management approach before procurement begins	As part of the pre-procurement process demand management is considered to ensure that the procurement properly reflects genuine and actual need.	G
Ensure procurement and commissioning strategies and processes take account of demand management techniques	See above	G
Involve procurement teams at an early stage in developing alternative ways to meet demand	CCPD has pulled together a comprehensive Contracts Register which is enabling it to be pro active in forthcoming procurements and engage early with Services to discuss a range of issues including demand management	G

## Theme B: Supporting Local Economies

Recommendations For single tier and county councils	Harrow Position	RAG Status
<p><b>1 Economic, Environmental and Social Value</b></p> <ul style="list-style-type: none"> <li>Councils gain maximum value from procurement through inclusion of economic, environmental and social value criteria in contracts for good/services and works</li> <li>Councils reduce waste by making sustainable choices when procuring products and services - helping them to cut costs, and meet their social, economic and environmental objectives.</li> </ul>		
An officer social value champion is appointed and provides leadership on issues relating to social value.	This is led by the Head of Economic Development and Research who acts as the officer social value champion.	G
Social value opportunities in all tenders, including those below the EU thresholds and for goods where appropriate.	The Council has a good record in delivering social value in contracts and has won several awards. A Gateway process has been introduced to ensure that this good work is embedded also at lower procurement values.	G
Bidders are requested to demonstrate community benefits through the whole supply chain	Social value requirements are being embedded into the Councils procurement processes at the first tier supplier level. Further work needs to be undertaken to extend this further down supply chains.	A
Consider and describe how the economic, social and environmental well-being of communities can be improved	Harrow has approved a Sustainable Procurement Policy which sets out mechanisms by which the economic, social and environmental well-being of communities can be improved	G

Recommendations For single tier and county councils	Harrow Position	RAG Status
Ensure that social value requirements do not cause unintended consequences (eg apprentices being unable to complete their apprenticeships as contracts always require 'new' apprentice places to be created).	The approach taken is to request contractors to explain how they can best meet Harrow's social value requirements. In this way unintended consequences are avoided by ensuring that contractors respond with proposals rather than the Council taking an input based approach.	G
Take account of the powers in the EU regulations that encourage use of mutuals, Social Enterprises and supported factories	Where appropriate Harrow will make use of the powers provided in the revised EU Regulations once enacted.	G
Build in sustainability into the whole procurement cycle	Sustainability is built into the life of contracts.	G
Social, Economic, Environmental assessments are undertaken for each procurement project	This assessment is considered as part of the Procurement Gateway process (pre-procurement).	G
Consider ethical issues, including fair pay, zero hours contracts, child labour and animal testing throughout the supply chain	These issues are considered on a case by case basis but will be embedded on a wider basis as part of a review of Contractual Terms and Conditions currently on-going. London Living Wage issues will be considered as appropriate on a contract by contract basis by obtaining 2 prices from bidders (with LLW/without).	A
<p><b>2. Improving Access for SMEs and VCSEs</b></p> <ul style="list-style-type: none"> <li>• A wide range of suppliers are encouraged to do business with councils through use of Portals to advertise tender opportunities</li> <li>• Barriers to doing business with the council are removed without compromising due process</li> <li>• SME's and VCSE's are able to identify potential 'partners' with whom to form consortia to bid for council contracts</li> <li>• Councils identify forward spend wherever possible and use this data to inform pre-market engagement and supplier planning</li> </ul>		

<b>Recommendations For single tier and county councils</b>	<b>Harrow Position</b>	<b>RAG Status</b>
Identify all procurement opportunities through local or regional portals and national portals where appropriate	Harrow opportunities are advertised on the London Tenders Portal.	G
Ensure websites make it clear which portals are being used to advertise tender opportunities and how suppliers can register	The Harrow web site sets out for companies how to search for opportunities via the London Tenders Portal. The London Tenders Portal has clear registration instructions.	G
Engage with local umbrella bodies such and FSB to ensure that procurement and engagement strategies will not inadvertently discourage suppliers	Harrow works closely with FSB and other business associations to promote opportunities and regularly holds pre market engagement events to ensure that our procurements encourage suppliers.	G
Ensure procurement processes are not overly-rigid, cut off from day to day service provision or contain disproportionate requirements (e.g. insurance levels)	Through meet the buyer and pre market engagement events, as well as through monitoring of responses to procurements and consideration of Procurement Gateway Reviews pre-procurement procurement processes are reviewed to ensure they do not contain disproportionate requirements. Further work to be completed to ensure this approach is embedded on a consistent basis.	A
Require prime contractors to report any failure to comply with payment terms and mandate payment by suppliers to their subcontractors be no greater than those in the primary contract, through contract clauses.	A thorough review of the Council's Terns and Conditions of contract is being undertaken to ensure that they reflect the Council's needs and objectives. This will include clauses regarding payment terms for sub contractors.	A

Recommendations For single tier and county councils	Harrow Position	RAG Status
Engage with single simplified PQQs such as PAS91 for construction	Discussions are being held with Constructionline which manages the PAS91 PQQ for construction about its usage within Harrow. Divisional Director CCP is engaged in discussions between the LGA and Crown Commercial Service about future shape and content of PQQs.	A
Learn from and engage with the supply base and other councils on a regional basis through market days for future projects	Harrow regularly uses market days or market sounding to help shape future procurements. Learning and exchange of information across London takes place at the London heads of Procurement network.	G
Ensure that lotting strategies do not create unwanted barriers for smaller businesses.	Lotting will be considered in future procurements as part of Procurement Gateway process (pre-procurement).	A
Engage in proactive pre-market engagement with the supplier base and through the commissioning process with users and advocates	Harrow holds pre-market engagement with suppliers and through the commissioning process.	G
Allow sufficient time in the procurement process for suppliers to form consortia	Where considered appropriate this is built in to procurement processes.	G
Make suppliers aware of trading opportunities and secure their input and expertise	Harrow opportunities are advertised on the London Tenders Portal and meet the buyer events and pre market engagement is undertaken to ensure that our procurements obtain suppliers input and expertise. .	G

## Theme C: Leadership

Recommendations For single tier and county councils	Harrow Position	RAG Status
<b>1 Single Cohesive Voice</b> <ul style="list-style-type: none"> <li>Central Government policy takes into account the needs and differences of local government because local government procurement speak clearly with one cohesive voice</li> </ul>		
Engage with networks to encourage discussion and input into NAG as a national voice	The Divisional Director CCP is deputy chair of NAG and therefore Harrow is very engaged in national discussions.	G
Join with PBO's showcase and share good practice to influence Government and the wider public sector	See above	G
<b>2 Commitment from the top</b> <ul style="list-style-type: none"> <li>Procurement is recognised as strategically important by chief executives, members and senior officers within local authorities</li> <li>Procurement is supported in each authority through the appointment of a councillor champion</li> <li>Best overall value has been considered in all council's addressable third party spend</li> <li>Procurement is a driver to implement council policy</li> </ul>		
Overall responsibility for Procurement rests at Director level and councils are committed to a strategic approach to procurement and delivering outcomes from this NPS	Responsibility for procurement in Harrow is with the Divisional Director CCP. A Commercial and Procurement Strategy has been agreed by the Council which reflects the issues set out in the NPS.	G
Ensure there is a strategic alignment of	Procurement is strategically aligned with the work of the s151	G

Recommendations For single tier and county councils	Harrow Position	RAG Status
procurement with Finance Director/s151 Officer or Director of Business Transformation	officer.	
Provide periodic updates to senior managers and elected members on implementation of good practice (set out in this NPS) and relevance to organisation	Regular updates are provided to Portfolio Holders and principal officer groups. In addition regular reports are provided to Committees as appropriate.	G
An elected member champion from the executive has procurement, commissioning and contract management as a substantial part of their portfolio	The Cabinet Member for Finance and Major Contracts has these areas as part of his portfolio.	G
Procurement professionals influence all third party spend	CCPD is fully engaged with all procurement activity in the Council.	G
Procurement professionals work closely with their commissioning colleagues to ensure best possible outcomes are achieved	CCPD Business Partners work closely with commissioning colleagues to deliver optimum outcomes.	G
The procurement strategy underpins the corporate strategy and a commitment to achieving the wider corporate objectives of the council is demonstrated	The Commercial and Procurement Strategy approved by Cabinet fully supports the objectives set out in the Corporate plan.	G
<p><b>3. Commissioning</b></p> <ul style="list-style-type: none"> <li>• Councils identify strategic outcomes in relation to assessed user needs, and design and secure appropriate services to deliver these outcomes</li> <li>• Councils better understand and manage demand through the commissioning process to better target services efficiently and effectively</li> </ul>		
Use a strategic commissioning approach to appraise new service delivery models	CCPD works closely with strategic commissioners to ensure that service delivery models are fully researched and appraised prior to procurements. This process is now supported through the introduction of a Procurement Gateway (pre-procurement) process.	G

Recommendations For single tier and county councils	Harrow Position	RAG Status
Procurement and Commissioning staff work together to ensure best outcomes for service users	See above	G
Demonstrate a willingness to move to multi-functional delivery	Both Commissioners and CCPD are very open to new delivery models and ways of working as part of the service delivery appraisal process to ensure best outcomes for recipients of services.	G
Set out a corporate approach to decommissioning services which includes <ul style="list-style-type: none"> <li>• Clear objectives</li> <li>• Co-produced products and strategy</li> <li>• Communications strategy</li> <li>• Transparency</li> <li>• Timescales and timetable</li> <li>• Risk management</li> <li>• Defined roles for those involved</li> </ul>	Harrow has experience of professional project management of the decommissioning of services and guidance is available but this has not as yet been described in a corporate approach.	A
<b>4. Procurement Training</b> <ul style="list-style-type: none"> <li>• Councils build better procurement competencies across the organisation by ensuring staff are equipped with the knowledge, training, and practical skills needed to derive maximum benefit from procurement practices.</li> <li>• Councils are more influential with suppliers through taking a more commercial approach to procurement</li> <li>• Council officers understand and implement the flexibilities afforded by the new EU Procurement Directives</li> </ul>		
Invest in their officers having the professional, leadership and interpersonal skills required to deliver council objectives through better procurement.	4 staff in procurement are currently in formal training to develop their procurement skills and capabilities. The team also attend conferences and seminars on a limited basis where appropriate to keep up with current professional practice.	G
Implement a development programme which takes into account the new context and models for good procurement	As above. In addition CCPD has a Divisional Personal Development Programme to help identify and deliver training needs at both individual and team level. .	G

Recommendations For single tier and county councils	Harrow Position	RAG Status
Encourage councillors to engage with procurement and commissioning training being offered through the LGA Leadership Academy	Discussions have been held with the Portfolio Holder (Finance and Major Contracts) regarding the LGA Leadership Academy training	A
Invest in developing commercial skills including costs and profit, the market and service quality, relationship building and renegotiation skills	A number of staff in CCPD are undertaking formal procurement training which includes commercial skills development as part of the course. Further work needs to be undertaken to ensure all procurement staff have these skills and that where appropriate this will rolled out to wider Council staff as part of a 'procurement driving licence' training programme.	A
Engage with training on new EU Procurement Directives	Staff from CCPD have attended courses run by Crown Commercial Service on the new EU Directives.	G
Cascade training where appropriate across the council and to districts	Once suite of new procedures and tools has been rolled out (covering <i>inter alia</i> Contract Procedural Rules, Procurement Guidance, Contract Management Procedures, Procurement Card Policy) a training programme across the Council will be rolled out. This will be supplemented by holding 'procurement surgeries' to assist with issues staff in Services may be experiencing difficulties with.	A

## Theme D: Modernisation

Recommendations For single tier and county councils	Harrow Position	RAG Status
<b>1 Commercialisation and income generation</b> <ul style="list-style-type: none"> <li>Councils procurement staff are more commercially minded, and understand and realise benefits from all funding streams including how contracts can be developed to generate income</li> </ul>		
Councils invest in training and developing commercial acumen for new and existing staff	4 staff in procurement are currently in formal training to develop their procurement skills and capabilities. The training includes commercial aspects of procurement. More focussed training in this area will be delivered as required.	A
Councils develop forward savings and income generation plans	A 'Using the Market' group led by CCPD has developed a forward savings and income generation plan to support the MTFS 3 year savings programme.	G
<b>2 Supplier innovation</b> <ul style="list-style-type: none"> <li>Suppliers are able demonstrate innovation through all stages of the procurement cycle.</li> </ul>		
Use early market engagement, and set out well-structured procurement processes, to allow for innovative approaches to be put forward	Harrow uses market days and market sounding where appropriate to seek innovation from suppliers.	G
Harness and proactively encourage supplier innovation	This is achieved through the process outlined above together with discussions with incumbent suppliers on improved ways of delivering services throughout the contract life.	G
Develop and run innovation workshops with supply base	This is not currently done consistently. Provider forums operate with Adults to stimulate ideas. Consideration will be given to running innovation workshops in other areas where appropriate	A
Ensure terms and conditions are flexible enough to allow for changes in technology during the life of	Flexibility is currently provided in terms and conditions through variation clauses, however this will be reviewed further as part of	A

Recommendations For single tier and county councils	Harrow Position	RAG Status
the procurement	the overall review of Terms and conditions to be undertaken.	
Use outcome-based specifications that include the minimum technical and performance requirements and focus on a statement of the problem that needs to be solved	Outcomes based tenders are used on a consistent basis	G
<b>3 Using technology</b> <ul style="list-style-type: none"> <li>Councils increase efficiency and productivity and realise full benefits through the use of appropriate e-procurement solutions in procurement processes</li> <li>Use of e-invoicing helps councils and suppliers streamline administrative processes and improves supplier liquidity</li> </ul>		
Use electronic means for tendering processes in line with EU Directives	Harrow uses the London Tender Portal for e-tendering.	G
Work with their suppliers to encourage a move to more e-business	Harrow is advanced in using e-business processes.	A
Outline the benefits of e-invoicing to suppliers helping them to do business electronically	Harrow will be implementing e-invoicing in before the end of 2014.	G
Implement e-invoicing and move quickly to realise benefits of 100% take-up	See above	G
Set a performance target and report on value and time to pay via e-invoicing	A review is being undertaken of current payment terms to suppliers to ensure that a standardised approach is adhered to. Once the e-invoicing project has been implemented statistics around payments via e-invoicing will be monitored	A
Consider making e-invoicing a contractual requirement	An e-invoicing project will be implemented by end 2014. This requirement is being built in to contract terms and conditions	G
<b>4 EU Directives</b>		

Recommendations For single tier and county councils	Harrow Position	RAG Status
<ul style="list-style-type: none"> <li>Council procurement process are quicker, simpler and less costly to run through use of the new EU Procurement directives</li> </ul>		
Councils and PBO's take full advantage of the free face to face and e-learning available through CCS	Staff from CCPD have attended CCS training days.	G
Cascade training to council officers and elected members outside of the 'procurement team'	A 'procurement driving license' programme and procurement 'surgeries' are planned to cascade training outside of the procurement team. This will commence once a number of key processes and systems have been revised, approved and implemented e.g. Contract Procurement Rules, Contract Management Procedures, etc.	R
Councils maximise the flexibilities afforded to them in the new EU Directives	Once the new EU Directives have been enacted officers will seek to maximise the flexibilities contained within them.	A