

Appendix 1

Commercial, Contracts and Procurement Annual Report 2014-2015

Our Vision

To be an enabling division that supports the council to be commercially effective, providing value for money, supporting local business and achieving social value to meet the needs of Harrow's residents and businesses

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Foreword

We are pleased to present this first Annual Report for the Commercial, Contracts and Procurement Division. The intention of this report is to set out the work and the contribution made by the division over the past year and set out the key objectives for 2015-2016.

This annual report shows that in the division's first full year under new leadership, it made a contribution of over £1m across all directorates, more than the costs of the function. Already for 2015/16, this contribution is forecast to be more than double, representing a 2.5x return on the cost of running the service. The projects the team works on are always jointly done with colleagues across the Council and there have been a number of new appointments in Council services who have led these projects with the Commercial, Contracts and Procurement team's support. As well as savings, gaps in commercial governance have been addressed including an overhaul of the council's Contract Procedure Rules and the introduction of contract management procedures.

Commissioning and Procurement staff across Harrow Council will play a vital role in providing expertise and challenge to ensure that we are achieving the best value for services that are delivered through third party contracts. Again, the team works closely with colleagues across the services and ensures that project delivery will be a joint team effort. This includes a strong, continued focus on ensuring social value commitments on top of the core services being commissioned.

Harrow has started a journey to become a commercial council. With the scale of cuts we are going to be experiencing over the next few years, difficult decisions are inevitable and one way we intend to meet this challenge is to become truly 'commercial' and the division will be playing a leading role in taking this agenda forward. Focussing on being innovative and achieving best value will continue to be a focus in the year ahead as we move into the next phase of implementing the Commercial and Procurement strategy.

In 2015-2016 our priorities must be to continue our improvement, to enable us to provide an increasingly professional commercial and procurement service to support the delivery of the Council's priorities.

We shall also explore the opportunity of a regional shared service to provide cost effective, high quality support to Harrow and other Councils.

Councillor Sachin Shah
Cabinet Member for Finance and Major Contracts

Tom Whiting
Corporate Director Resources



Improving Procurement in the Council

In September 2013 a Divisional Director for Commercial, Contracts and Procurement was appointed. This was an important initiative by Harrow Council that gave the procurement function within the authority a new focus and impetus to modernise the service.

New appointments have also been made to commissioning teams across the Council which have provided vital leadership of some of our major procurement projects as well as a number of other projects.

One priority has been to ensure that those involved with the procurement function have the requisite commercial skills to support the delivery of the council's challenging financial savings targets.

The traditional skills of the tendering of services are increasingly being accompanied with the ability to think and act commercially, including negotiation and selling skills. The Commercial, Contracts and Procurement Division is centrally based with Commercial Business Partners and their teams providing expert support, advice and guidance to the directorates where the majority of procurement activity takes place.

The Commercial, Contracts & Procurement team will also continue to focus on its own development in the coming year. As the Commercialisation agenda becomes the ambition the team must acquire the relevant requisite skills to be able to support its' delivery. Further capability will also need to be built around market insight and analysis.

This year the team is embarking on the achievement of the CIPS Corporate certification. We will also introduce a process for feedback on the professional support from the team.

The Aims & Goals of the Commercial, Contracts and Procurement Division

- Identifying and **delivering savings** and efficiencies through the development of new delivery models, collaborative working generating revenue and category management
- **Supporting the local economy**, maximising the economic, social and environmental benefits to Harrow.
- The **modernisation and commercialisation of procurement**. To meet the challenge of modernising and reshaping the way Procurement support Harrow Council. Ensuring the requisite skills exist to respond to financial pressures through commercialisation and income generation.
- **Working closely with commissioners to jointly deliver the procurement programme** of individual directorates and ensuring value for money is achieved.
- Improving the council's procurement, tendering and contract management processes. Ensuring the right balance is established between **good governance and lean processes**.
- Provide **guidance and support for all staff who are involved in tendering and commissioning** across the council to professionalise procurement.
- Ensure **compliance to the council's Contract Procedure Rules** and support all directorates in being able to do so and thereby **managing procurement risk**.

The Commercial, Contracts and Procurement Division objectives 2014-2015

The division's objectives from April 2014-March 2015 included:

1. Delivery of procurement savings.
2. Supporting the generation of trading and income generation opportunities.
3. Implementing category management
4. Promoting the delivery of social value through procurement
5. Ensuring Harrow's procurement is consistent with the National Procurement Strategy
6. Re-organisation of the division
7. Development of a Commercial Strategy
8. Revision of the Contract Procedure Rules
9. Development of a Contract Management Guide
10. Development of a Sponsorship and Advertising Code
11. Development of a Procurement Card policy
12. Improvement of the Commercial, Contracts and Procurement Division's section on the Intranet
13. Programme of tendering across the council; key strategic procurements included:
 - ICT Competitive Dialogue £35m
 - Total Facilities Management £ 16.1m
 - Substance Misuse £21m
 - School Nursing £8m
 - Communications Service £2.9m

All of these procurements had significant savings targets associated with them, which have been delivered through joint working with colleagues.

The Delivery of Savings through Procurement

The savings figures set out below represent actuals achieved during 2014/15 and predicted savings for 2015/16 based on work that has already begun. The savings figures for 2015/16 will increase as further work is completed. The savings have been confirmed by the Finance Business Partners for each directorate and represent the Commercial, Contracts and Procurement Division's contribution to the savings made in each area.

Compliance

As well as supporting the Council's procurement to deliver savings, the team adds value in ensuring that tenders are let in a way which is compliant under the Public Contract Regulations and the Council's Contract Procedure Rules. In 2014-2015 there were no successful challenges to Council procurements.

Costs vs Savings

In 2014/15, the costs of the division were £914k. Therefore in its first full year of operation, it assisted services to deliver savings that more than covered its costs. For 2015/16, the division's budget is £863k, therefore based on forecasted FY savings (some already achieved), the division will produce a return of a minimum of x2 costs.

Directorate	No of projects completed	No of projects ongoing	Total	SAVINGS		
				2014/15	2015/16	TOTAL
Community Health & Wellbeing	9	13	22	£670,919	£777,805	£1,448,724
Children & Families	7	3	10	£86,827	£84,135	£170,962
Resources	1	1	2	£57,000	£551,600	£608,600
Environment & Enterprise	17	9	26	£222,921	£333,702	£556,623
TOTALS	50	34	84	£1,081,667	£1,754,242	£2,835,909
			COSTS:	£914,000	£863,000	
			ROI:	1.18x	2.03x	

Total number of projects by funding stream (including savings 2014/15 – 2015/16)

Capital projects	31	£359,135
Revenue projects	23	£1,805,107
Schools projects	8	£343,462
Grant projects	10	£-
Public Health projects	7	£268,125
HRA projects	8	£60,080
TOTAL	87*	£2,835,909

**includes projects that have both a capital and revenue element to them*

The Delivery of Income Generation and Social Value

Income Generation

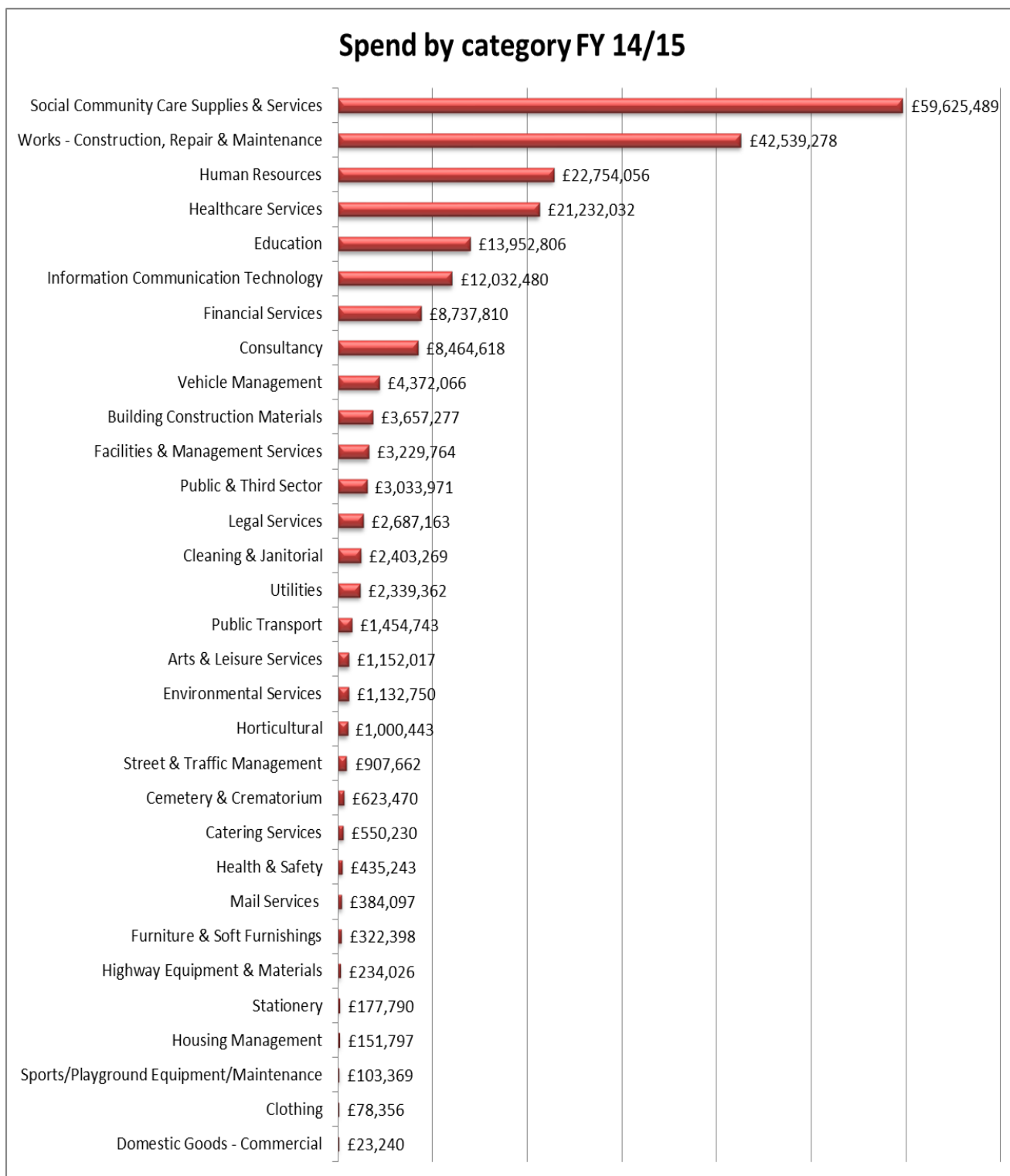
- A wireless contract was awarded to Arqiva in February 2014 whereby they installed wireless functionality in areas of high footfall throughout the borough. The income we have achieved through the letting of this contract was a one off £45,000 and then a guaranteed £8,000 per year for the next 10 years with the possibility of further income.

Social Value

- The Commercial, Contracts and Procurement Director has created a procurement apprenticeship role within the structure as well as working with local schools and colleges to offer procurement one week taster sessions to sixth form students. The team currently has a Procurement Apprentice and had three college students scheduled to have one week taster sessions in procurement.
- A social value survey was carried out this year to establish a baseline of social value benefits being delivered by our top suppliers.
- Social value is now a key part of all tendering processes over £100k and is embedded into processes so will increasingly deliver benefits to the local economy in the coming years.
- Both the ICT procurement and Total Facilities Management procurement created significant social value benefits to the borough beyond the core service of each.

Where does the money go?

Council wide third party spend by category 1st April 2014 to 31st March 2015



Harrow Council's spend with top 50 suppliers 1st April 2014 to 31st March 2015

Top 50 suppliers FY 14/15		
Vendor name	Total	Description
Pertemps Group Of Companies	£20,561,666	Agency staff
Kier MG Limited	£13,321,969	Highways - repairs & maintenance roads
Keepmoat Regeneration (Apollo) Limi	£13,001,608	Schools Capital works for 2014-2016
Capita Business Services Ltd	£12,088,941	Information Communication Technology
Cnw I Mental Health Nhs Trust	£4,261,442	Public health;
FRAIKIN LTD	£3,215,283	Vehicle Leasing & Hire
Harrow Community Schools PFI Limite	£3,041,623	Schools meals
Kier Construction Ltd- Southern	£2,927,760	Whitefriars School - New Build
Carillion Integrated Services Ltd	£2,905,156	Library Projects
Wates Living Space	£2,653,427	Housing Responsive Repairs and Maintenance
Central London Community Healthcare	£2,401,030	Barnet Sexual Health Services
Brent Council	£2,073,373	Cemetery & crematorium; Local authority goods & services exchange
North West London Hospitals Nhs Tru	£2,058,865	Public health;
The Royal Free London	£1,999,326	Public health;
London Borough Of Barnet	£1,968,239	Legal Services
Kent County Council Kcs	£1,924,399	Utilities
Barnet, Enfield & Haringey	£1,912,827	Public health;
Westminster Drug Project	£1,870,726	Public health;
Slade T/A Slade (London)	£1,864,215	Housing Responsive Repairs and Maintenance
Quality Heating Services Ltd	£1,806,020	Building Construction Materials - Heating & Air Conditioning
Catalyst Communities	£1,599,773	Fees & charges residential placements
Compass- Services to tackle Problem	£1,448,053	Public health;
Julius Rutherford & Co Ltd	£1,079,991	Building cleaning
Royal Free London Foundation Trust	£970,212	Public health;
Medequip Assistive Technology Limit	£953,011	Equipment provision - mobility aids
BHH LIFT Accommodation Services	£912,696	Vaughan NRC, Kenmore NRC, Byron Park NRC LIFT Land Retained
Royal Bank of Scotland Commercial Card	£892,367	Pcard spend
Nas Services Ltd	£868,014	Residential schools
London North West Healthcare	£867,570	Public health;
London Councils	£854,592	Concessionary Fares Levy; parking TPO back office
Hillcrest Autism Services Ltd	£837,919	Ind Residential Day School Placement
MNA Home Care Services	£817,943	Care Services
Life Style Care	£797,709	Nursing care and residential placement
Westco Trading	£790,331	Communications / design services
Jewish Care	£780,830	Nursing care and residential placement
HC-One Ltd (Birchwood Grange)	£758,308	Nursing care and residential placement
Specialist Computer Centres Plc	£757,056	Facilities & Management Services - Security - CCTV
Kier Facilities Services Ltd	£754,814	Building works
EACH Counselling and Support	£677,805	Public health;
Sports and Leisure Management Ltd	£674,024	Arts & Leisure Services - Outsourced Service
Harrow College	£663,208	School placement
MACINTYRE CARE	£663,096	School placement
Rethink	£662,224	Supporting people grant
Temco Facility Services UK Ltd	£655,901	Building cleaning
H.A. Marks Construction	£645,525	Low lands Recreation Ground Development
Capital Home Care	£632,988	Domiciliary Care
London North West Healthcare NHS Tr	£629,324	Public health
Real Life Options	£617,225	Residential placements
Voyage	£587,792	Residential placements
Grand total	£121,708,193	

Directorate	Total
Children & Families	£47,235,264
Community, Health & Wellbeing	£90,038,555
Environment & Enterprise	£35,461,755
Resources	£43,732,134
Grand Total	£216,467,708

FY 14/15	Number of suppliers	Spend	Proportion %
Total number of suppliers	4735	£216,467,708	100%
Top 50	50	£122,658,198	56.68%
Grand total		£122,658,198	

Community Health & Wellbeing

This directorate is made of four divisions, each of which the Commercial, Contracts and Procurement Division support through a spectrum of quick ‘over the phone’ advice and guidance, to co-ordinating the Directorate Procurement Board (DPB), through to working with commissioning colleagues in the management and delivery of procurement projects of varying sizes and complexities.

The four divisions are:

- Adult Services
- Housing
- Public Health
- Culture and Communities

Procurement achievements 2014-2015 in collaboration with the Directorate

The Commercial, Contracts and Procurement Division has given professional support to each of the divisions within the directorate on a number of tenders and procurement compliance matters during 2014-2015.

- Jointly developed category plans for each of the divisions within the directorate to support and accommodate smarter procurement.
- A review of all the contracts within the directorate to scope the procurement support required for tenders and support required to improve compliance and adopt procurement best practice.
- Two procurement boards operate within the directorate which meet monthly, one which is specific to the Housing Division. This is chaired by the Divisional Director for Housing and is attended by the heads of service, the Commercial Division, Legal and the Housing Portfolio

Holder. The other procurement board covers the other three divisions within the directorate and has representation from each of the areas along with Commercial, Legal and Finance.

- Embedded procurement and commercial thinking across commissioning intentions.
- Enhanced procurement engagement – procurement is now the first point of call.
- Worked alongside commissioning colleagues to ensure both a commercial and compliant approach is adopted towards procurement.
- Established ‘best value’ principle in all procurement option appraisals for both low and high value contracts. Commissioners in working with the Commercial Division are now proactively exploring decommissioning, aggregation and renegotiation of existing services.

Adult Services

- Procurement support to the WLA home support service.
- Jointly conducted a re-procurement, negotiation and decommissioning of the Supporting People programme. The whole programme was restructured in order to deliver savings in a sustainable way with the minimum negative impact on service users and stakeholders, the new contracts covered five services and delivered annual savings of £481,000, a total saving over the three year period of the contract of £1.3m.
- Permanent Futures was moved on to the PAWS Contract – a 10% saving was achieved on the mark up and no permanent introductions fees.
- The re-procurement of Multi Agency Safeguarding Training - Total contract value £144k.

Culture & Communities

- Re-tendering of the Barn contract – Total contract value £1m.
- Negotiations with the library provider delivered a one –off early payment discount of £16,000.
- Worked closely with the service area to deliver the procurement of the Harrow Mutual Support Network – Contract Value £450,000
- Negotiations with the council’s large leisure provider increased income in 2017-18 and positively impacted the leisure centre redevelopment options.
- Re-procurement of the Third Sector Support Service – Total contract value £200,000.

Housing

- An area of key procurement focus for Housing has been on the Garage & Infill Sites where the council are looking to build 50 new homes. The following contracts have been awarded through close and effective working across procurement and commissioning:
 - Employers' agent, clerk of works and CDMC co-ordinator has been awarded to Martin Arnold Associates – Total contract value £251,000.
 - The architect's contract has been awarded to two suppliers - Levitt Bernstein and Ingleton Wood with a total contract value of £200,000.
- The other main focus has been on Grange Farm estate regeneration. The following contracts have been awarded in collaboration with the service area.
 - Client Advisors were appointed in October to support the project - Red Loft – Total contract value £70,000.
 - The project team are currently evaluating the tender for employers' agents, clerk of works and CDMC co-ordinator with an estimate value between £450,000 and £900,000.
 - An OJEU notice was issued in January 2015 for architects to be appointed with an expected value of £800,000.
- Housing has continued with their high investment in updating their kitchens and bathrooms stock. Two schemes were approved and mini competitions were completed under a Harrow Framework.
 - Scheme 1: kitchens & bathrooms for general needs was awarded to Lakehouse Contracts Limited in September 2014 with a value of £1,338,841.
 - Scheme 2: kitchens & bathrooms for the sheltered scheme was awarded to Durkan in December 2014 with a value of £475,445.
- Harrow Council applied for a green deal community grant from DECC which they were successful with and is worth £1.3m. This grant is for energy measures to be installed in specific areas in the borough. This is reliant on private home owners installing the measures which will be subsidised by the Green Deal Grant. The approach is to be completed on a street by street basis. A tender was completed under the LHC framework and the contract was awarded to Keepmoat in November 2014.
- Other asset management programmes which were also tendered are as follows:
 - Door Entry System awarded to Compass Security Systems in April 2014 for £189,920.
 - Door Entry System awarded to Security Surveillance Systems Ltd in February 2015 for £185,171.

- Wanerford Road: there are structural issues and therefore underpinning is to be completed. Currently tenders are being evaluated.

Public Health

- Supported, managed and worked with commissioners and suppliers in aligning NHS contracts to Local Government Services contracts and in supporting them in working with the council.
- Leading the collaborative procurement of the School Nursing service - Total contract value £8m (£13m incl. Hounslow)
- The Joint Public Health procurement of the Substance Misuse service – Total contract value £21m.
- Procurement of the Emotional Wellbeing service – Total contract value £110k.
- Procurement for Tier Two Weight Management (Barnet- Child) – Total contract value £237k.
- Procurement of the Care Management system for Substance Misuse and Health Checks – Total contract value £132k.
- Sexual Health renegotiations and contract extensions (both GUM and CaSH) Total aggregate contract value £6m+.
- Providing Employment Support to People with Mental Health difficulties
 - Lot 1 Delivery of Employment and Psychological Wellbeing Support to individuals within Job Centre Plus in Barnet - Total contract value £180k.
 - Lot 2 Individual Placement Supporting Barnet - Total contract value £160k.

Key objectives for 2015-2016

- Category plan refresh for 2015-16 for each of the four divisions.

Adult Services

- Review of Residential and Nursing care spend.
- Lead borough on the Procurement of the WLA APC.
- Re-procurement of an Integrated Advocacy service.
- Re-procurement of the Violence against Women and Girls.
- Review of all Supporting People services re-procurement of day service for people with Mental Health difficulties.

- Re-procurement of Harrow employment service for people with Mental Health difficulties.

Culture & Communities

- Negotiations with the library provider.
- Procurement for small sided football pitches – (income generation).
- Harrow Arts Centre spin out or delivery of preferred other option.
- Procurement of contractors for Harrow museum works.

Housing

- One of the main objectives is to move forward with the Grange Farm Estate Regeneration with an estimate project value of £75m. The following tendering activity is required:
 - Architects: ITT issued in March 2015 with the expected contract award in May 2015.
 - Developers: ITT expected to be issued in June 2015. The development programme is expected to be over 5 years.
 - Decanting/removals: The Commercial team and the project team are currently evaluating the requirement for arranging the decanting of the residents from site. A tender will need to be carried out for this requirement with an award expected in July 2015.
- Tendering for build suppliers of the Garage & Infill sites is due to commence shortly. Housing is hoping to attract local SME contractors for the build. The first phase of the infill programme is for 50 new homes. The second phase is expected to be identified and carried forward in July 2015.
- The current General Repairs and Maintenance contracts are due to expire in July 2016. The service areas are currently reviewing their requirements. The tender of this project is expected to start in July 2015 with an estimated value £15m - £20m.
- Housing has proposed a 4 year capital programme (£34m) to meet the Better Homes Standard. The main tendering projects are:
 - Kitchens & bathrooms
 - Enveloping
 - Door entry and internal decorations
 - Solar panels
 - Boiler & heating

- Refresh of Housing category data to enable spend review.

Public Health

- Harrow is leading the development of a Commercial Business Case for the procurement of Pan London Sexual Health services involving 25 London Boroughs. This is a major project that is likely to set a Pan London standard, shape the existing market but also develop the market further and seek to increase competition. The Divisional Director is leading a group developing the commercial business case for this area. Supporting the smooth transition of the Health Visiting service from NHS to Local Government.
- Procurement of Community Services from General Practitioners (GPs) and Community Pharmacists (CPs) –formerly known as Local Enhanced Services (LES) agreements.
- Continue to jointly review all contracts with the service area and enhance forward planning taking into consideration quick wins and compliant but flexible procurements.
- Collaborative Procurement of West London Mental Health and Employment via individual placement support - London - National Trailblazer - Barnet Pilot.

Children & Families

This directorate is made up of three divisions, each of which the Commercial, Contract and Procurement Division support through a spectrum of quick 'over the phone' advice and guidance, through to co-ordinating the Directorate Procurement Board (DPB), through to working with commissioning colleagues to deliver commissioning intentions through compliant procurement projects of varying sizes and complexities.

The three divisions are:

- Targeted Services and Early Interventions
- Special Needs Services
- Education and Commissioning

Procurement achievements 2014-2015 in collaboration with the Directorate

The Division has given professional commercial support to each of the divisions within the directorate on a number of tenders and procurement compliance matters during 2014-2015.

- The creation of a procurement board, that meets monthly. This is chaired by the Corporate Director for Children and Families, is attended by the divisional directors, the Commercial Division and Finance.
- The collaborative development of category plans for each of the divisions within the directorate to support and accommodate smarter procurement.
- A joint review of all the contracts within the directorate to scope the procurement support required for tenders and support required to improve compliance and adopt procurement best practice.
- A joint review of the Special Education Needs transport framework.
- Supporting the contract management of the SEN Service.
- Renegotiation of the systemic early intervention social work support service for the extension of the contract at a reduced budget.
- Renegotiation with CfBT advice and guidance contract for the extension of the contract at a reduced budget.

- Commercial support and advice to schools:
 - Distribution of Universal Infant School Meals Grant £505k- in conjunction with Children’s Services Capital Works team; assess twenty seven LA funded schools’ capabilities to meet legal requirements. £505k grant distributed to pay for kitchen works and equipment at nineteen schools.
 - Contract Procedure Rules compliance- Increase schools’ understanding of their category spend. Identifying CPR compliant framework agreements and public purchasing bodies to access; maximising cost savings and rationalising individual school’s purchasing effort.
 - Procurement of Catering Services of six schools and the fit out of a kitchen space. Tender value £750,000.
 - Stationery, Supplies & Equipment - Total spend £2M. Compliant sourcing increased to £803k. Savings on compliant spend £45k.
 - IT Hardware – Crown Commercial Service mini-competition. For 47 PCs. Tender value (priced by incumbent supplier) £33k. CCS winning bid £16k. Saving £17k.
 - Printers & Multifunction Devices – 15 schools moved to operating leases. Savings £70k pa. (based on current usage). One secondary school will see reduced printing costs by £100k over five years.

Key objectives for 2015-2016

- Category plan refresh for 2015-16 for each of the three divisions.
- Supporting the discussions with the CCG on developing an integrated Speech and Language Therapy service. Supporting the division on the contract management of the Speech and Language Therapy service.
- The re-procurement of the current home to school transport service (SEN) – Total contract value £1.9m and SNT 3.
- Re-procurement of the Information Advice and Guidance service – Total contract value £2.1m.
- Review and re-procurement of the systemic early intervention and support work services – Total contract value £966,000.
- Review and re-procurement of Young Carers service – Total contract value £307,000.
- Review and re-procurement of the provision of a domestic adoption service – Total contract value £750,000.

- Review and possible re-procurement of the Harrow SEND Advice and Guidance service (formally Parent Partnership service) - Budget to be agreed.
- Support the roll out of pre paid cards.
- Re-procurement of furniture pack service for cross council use - £300,000.

School's Programme

- Agency Staff: Teaching & non-teaching - £4.5M spend p.a. via 21 suppliers. The borough has been working with Eastern Shires Purchasing Organisation to produce a framework agreement schools can use to access their current agency staff providers at a much improved rate. Tender currently being evaluated. Expected go live date is April 2015. A 5% saving will equate to £250k pa.
- IT Hardware, Software, and Services. - £1.5M spend p.a. Crown Commercial Service's ICT Education framework goes live in April 2015. This will give schools an audit compliant catalogue from which to purchase hardware, software and network services. Expected savings at 10% = £150k pa.
- Catering Services – Managing complete tendering exercise on behalf of 13 schools. Tender value £1m+. Tender published in March 2015.
- Waste & Recycling, HazChem, & Confidential Waste – £91k annual spend. Multiple contracts expire in March 2015. Schools' procurement have been working with the borough's Waste and Recycling services team to produce an in-house SLA matching school requirements. Frameworks are also available and suppliers' pricing will be confirmed mid-February. Schools will decide which audit compliant path to take based on this data.

Environment & Enterprise

This directorate is made of five divisions, each of which the Commercial, Contract and Procurement Division work closely with. Working closely with commissioners to deliver procurement projects and savings of varying sizes and complexities.

The five divisions are:

- Planning
- Corporate Estate
- Environmental Service Delivery
- Economic Development & Research
- Commissioning Services

Directorate achievements in collaboration with the Procurement team:

- The Arboriculture Service contract was retendered and a new contractor (Glendale) appointed for the service, delivering approximately 20% price reduction compared with the council's current budget for the service. The new provider offers an improved quality submission, particularly with regard to social value, and the proposed appointment of 2 apprentices over the life of the contract and 4 work placements per year.
- Arqiva were appointed under a concession to implement a borough wide wi-fi network. This generated a one-off revenue payment of £45,000 for the Council, gave increased wi-fi coverage and allowed the transmission of public safety messages to Harrow residents and visitors.
- For the first time the directorate spent 90% of its capital budget for the year. To achieve this level of spend in the time period the directorate required flexible and committed support from the Commercial, Contracts & Procurement team.
- The procurement team supported the Divisional Director for Commissioning Service process to deliver an aggregated Facilities Management and Associated Services (Hard FM Reactive & Planned Maintenance; Cleaning and Security) contract has been completed. The cost of procuring all included services as disaggregated contracts is approximately of £22m, and significant savings and social value benefits have been achieved.
- Directorate Procurement Boards, chaired by the Divisional Director of Commissioning, take place each month and are well attended by senior staff across the Directorate and the Commercial Division. These support the compliant delivery of commissioning intentions within the directorate.

- There has been a team effort between commissioners within E&E and the procurement team to ensure through contract management positive delivery of services and contract outcomes.

Key objectives for 2015-2016

- A key objective for the next financial year is to support the directorate in ensuring the effective contract award, mobilisation (after full contract commencement date of 1 July 2015) and operation of the FM and Associated Services contracts;
- Tendering and putting in place a number of contracts for
 - Minor Works; and
 - Construction Consultancy Professional Services;
- Effective contract management of the major contracts, including the Fleet Lease and Highways contracts to ensure added value within the current contract price;
- Continued support of the Directorate's capital procurement plan, ensuring delivery in budget with optimum social benefit delivery;
- Refresh of E & E category data to enable spend review, and identify savings opportunities.
- The Commercial, Contracts & Procurement Team will support the commercial agenda of the directorate as required.

Resources

This directorate is made of six divisions, each of which the Commercial, Contract and Procurement Division support through a spectrum of quick 'over the phone' advice and guidance, through to co-ordinating the Directorate Procurement Board (DPB), through to management of procurement projects of varying sizes and complexities.

The six divisions are:

- Finance & Assurance
- Strategic Commissioning
- Commercial Procurement
- Human Resources & Development & Shared Services
- Customer Services & Business Transformation and
- Legal & Governance.

Procurement achievements 2014-2015 in collaboration with the Directorate

The team has given professional commercial support to a number of tenders during 2014-2015.

- Supported the ICT competitive dialogue (£35m).
- Managed the re-procurement of the communications contracts. Savings of £224k over four years.
- Supported the upgrade of the pensions software to a hosted solution - contract value £500k.
- The re-procurement of Health watch service – Total contract value £499,999.
- Managed the re-procurement of the cash in transit contract (cash collection) - contract value £120k.
- Advice and support for the tendering of the Internal Audit Shared Service contract - contract value £200k.
- Manage the re- procurement of the contents insurance contract for tenants of Harrow properties - contract value £140k.
- Support the e-invoicing project resulting in the automated payment of over 50,000 manual paid invoices.

- Provided advice and contract support in the appointment of the duplicate payment audit software.
- Undertook a social value survey to establish a baseline of current social value benefits being achieved through our providers.
- Supporting the generation of trading and income generation opportunities.
- Procurement of Experian citizen view credit checks.
- Training on the Contract Procedure Rules given to over 100 staff across the organisation.

Policy, Systems and Processes Related Achievements

- The Divisional Director of Commercial, Contracts and Procurement wrote a Commercial and Procurement Strategy 2014+ which was approved by Cabinet in July 2014.
- Implementing Category Management. The Commercial team has been developing category plans across directorates.
- Full Council approved the revised the Contract Procedure Rules in November 2014 and they were rolled out through a coordinated communications campaign including a series of training sessions.
- Developed a set of Contract Management Procedures, involving current contract managers and associated personnel
- Promote the delivery of social value through procurement. The use of consistent weighting in all tenders for social value benefits is being incrementally introduced. As is the tracking of the delivery of social value benefits by suppliers.
- Harrow's procurement is consistent with the National Procurement Strategy for Local Government in England 2014. Harrow has fully met 57 recommendations from a total of 91 recommendations from the National Procurement Strategy. We have partially met 23 and are working to meet the 11 areas where we have not met at all the recommendations.
- Re-organisation of the division.
- A Sponsorship and Advertising Code has been implemented.
- A Procurement Card policy has been implemented.
- Improvements have been made to the Commercial Division's section on the Intranet ("the Hub") making it more user friendly and a repository of the latest procurement policies, templates and guidance.

Key objectives for 2015-2016

- Re-procurement of mobile and landline telecoms – total contract value £1m.
- Procurement for Revenue and Benefit third party support – total contract value £3.5m.
- Review and re-procurement of the procurement card contract.
- Re-procurement of the stationery contract (contract value £400k).
- Review of all spend going through the FB60 route.
- Further embedding the delivery of social value into the procurement process.
- Supporting the Harrow Means Business' event.
- Re-procurement of the travel and subsistence service.
- Procurement of a staff benefits scheme.
- A revision and update of the council's terms and conditions of contract, both low-value and high-value iterations.
- A revision and update of the council's Invitation to Tender documents to incorporate key changes in procurement legislation and council priorities like social value.
- Developing a Commercialisation Strategy.
- Implementing a programme governance approach around the commercialisation agenda.
- Leading on the setup of trading vehicles to support commercialisation.
- Executing the Harrow First objective and embedding it within the procurement process.
- Bringing the Contract Procedure Rules in line with the recent changes to the Public Contract Regulations 2015.