



AUDIT, BEST VALUE AND COMMUNITY SERVICES SCRUTINY COMMITTEE

FRIDAY, 17 JULY 2015

2.00 pm COMMITTEE ROOM, COUNTY HALL, LEWES

MEMBERSHIP - Councillor Mike Blanch (Chair)
Councillors John Barnes (Vice Chair), Laurence Keeley, Carolyn Lambert,
Bob Standley, Trevor Webb and Francis Whetstone

Please find attached the item marked "to follow" on your agenda.

A G E N D A

- 5 Procurement: Category Management strategies and Savings sign off approach (*Pages 3 - 32*)
Report by the Chief Operating Officer

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15 July 2015

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Report to: **Audit, Best Value and Community Services Scrutiny Committee**
 Date: **17 July 2015**
 By: **Chief Operating Officer**
 Title of report: **Procurement performance update**
 Purpose of report: **To provide an update on the ongoing development of Procurement and Category Management and provide members with an update on performance**

RECOMMENDATION: The Committee is recommended to note and consider the report.

1. Background

Financial Appraisal

1.1 There are no direct new financial implications from this report. It provides an update on Procurement performance so far this year; describes the areas from which the organisation has achieved efficiencies through procurement; supplier and contract management savings; the current timetable for both creating and refreshing category strategies; and an overview of the refreshed strategy for the Procurement Service.

2. Supporting Information

Procurement Strategy

2.1 A fully revised strategy for the Procurement Service 2015-2018 is now in place across the Orbis Partnership, with the support of Lead Members in both Councils (Appendix A). This sets out how the Service will continue to deliver and develop a high-quality service offering for our customers. For each of eight strategic themes the longer term ambition is explained, with key actions and measures to deliver it. The eight themes are:

- People, Skills and Development
- Category Management
- Contract and Supplier Management
- Technology and Processes
- Strategic Sourcing
- Programme Management & Governance
- Social Value
- Innovative Commercial Support

Social Value

2.2 Social Value through Procurement delivery is a key strategic theme for the service, and a strategy for driving greater Social Value from our contracts is being developed. We are working to ensure that all our major tenders have an Employment and Skills plan agreed as part of the contract, and we are taking part in a national pathfinder project to identify and track wider Social Value benefits for our procurement projects. We are also using the electronic Contract Management System to help record and identify which contracts are adhering to this agreement. This enables us to report on our Council Plan target of the "Percentage of new County Council procured contracts awarded following a tender process that include an Employability and Skills Plan."

2.3 We will also continue to report the Council Plan target to increase the percentage of spend with Local Suppliers to over 50% by 2016, in support of economic growth in the county. Within Procurement, specific targets are being set by business sector.

Forward plan of category strategies

2.4 Attached as Appendix B is the latest version of the category strategy development plan. The scope of this includes both East Sussex and Surrey requirements. The plan continues to be developed as the potential for alignment across the partnership emerges, and will be used to help develop the shape of 2016/17 work plan for the Procurement Service.

Procurement Service Savings Sign off Approach: Delivery for Q1 2015/16

2.5 The Procurement service continues to seek appropriate common approaches across the Partnership. In this context a clear savings methodology has been put in place, and agreed with Finance following a series of knowledge share workshops. This enables greater clarity in the identification of savings against the sources of funding and the lead activities for the opportunities.

2.6 It should be noted that the below tables identify the major savings which are already relied upon in the Councils RPPR budget process. This shows the status as at the end of Q1 and will be further reviewed during the financial year. These are where the organisation has met existing budget pressures through procurement, contract and supplier related activity. The actual projects are delivered through cross-functional working, and are often led from within Services with the support of the specialist commercial skills provided by the Procurement Service. The savings both realised and forecasted are either deployed to support already agreed programmes of work or support delivery of a service where there is increasing demand pressure (for example, in the case of Independent Fostering Agencies).

2.7 To date the signed off cashable saving total is £1,752k. This includes:

| Project | Capital | Identified in RPPR* | Cashable Revenue** | Commentary |
|---|---------|---------------------|--------------------|--|
| Reformulated Supported Bus Network Tender | | 1,310,000 | | Delivered as planned |
| Building Services Framework | | | 147,000 | Recent tender delivered additional savings over previous rates |
| Liabilities Insurance | | | 146,602 | Saving against forecast already assumed in budget |
| Mobile Voice and Data | | | 89,054 | Additional saving negotiated over standard quoted rate from framework |
| Servers WS2003 Migration (compliance) | 42,333 | | | Delivered via an e-auction, making a saving against the quoted price from Dell |
| Provision of Grounds Maintenance services | | | 17,715 | Saving delivered through negotiating zero uplift rather than index-linked as in contract |

*service led by commissioning strategy

**Procurement-led through category management & re-tendering approaches

What are the key savings, major contracts or tenders planned for rest of the year?

2.8 The current forecast that has been identified for 2015/16 is £5m in BSD procurement-related areas and £6.5m from Adult Social Care.

2.9 The savings and tenders for 15/16 that are individually estimated to deliver over £100k savings are:

| Project | Capital | Identified in RPPR* | Cashable Revenue** | Commentary |
|---|---------|---------------------|--------------------|--|
| Professional and Technical Consultancy Service | 400,000 | | | Joint initiative following opportunities identified earlier this year. Will help ensure that the projects are delivered within existing capital programme. |
| Terminus Road Eastbourne Town Centre Improvements | 200,000 | | | Estimated forecast against the overall project budget of £2m – budget set assuming such savings. |
| Fostering IFA Efficiencies | | | 150,000 | Deployed our market insight to inform negotiations with high spend suppliers to address their costs in order to deliver services within budget. This is a challenging high pressure marketplace and in some cases, this has actually resulted in the Service stopping referrals through some of the high spend |

suppliers where they were not willing to have a dialogue with us.

| | | |
|--------------------|-----------|--|
| Supporting People | 340,000 | Final tranche as in 3 year plan, re-procurement of STEPS project |
| Working Age Adults | 1,900,000 | Final tranche as in 3 year plan, reviewing the cost of placements |
| Older People | 4,290,000 | Final tranche as in 3 year plan, in a range of projects including Telecare and Integrated Care Equipment Service |

*service led by commissioning strategy

**Procurement-led through category management and re-tendering approaches

3 Conclusion and reasons for recommendation

3.1 It is recommended that Audit, Best Value and Community Services Scrutiny Committee note the progress outlined in this report.

KEVIN FOSTER
Chief Operating Officer

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Procurement Strategy 2015 - 2018

Delivering procurement and commercial expertise to ensure our contracts and commercial arrangements provide great value for money and the best possible social value for our residents

V1a

Introduction

Welcome from Lead Council Members

This is the first joint Procurement Strategy for Surrey County Council and East Sussex County Council. It is as a result of the hard work of our staff over the last two years, initially as part of the Procurement Partnership established between our two authorities in 2013, and more recently as part of Orbis, the trusted business services partnership that we have created to deliver value to customers and residents through our expertise, innovation and passion.

In a time of reducing funding from central government, and increasing expectations of our residents, businesses and tax payers, it is more important than ever that we have the best commercial arrangements in place to deliver innovative solutions that help us reduce costs and improve services. The focus in this strategy on social value is also welcome, supporting our drive to offer more opportunities for apprentices and skills development, greater community benefit from our contracts, and strong support for the development of our local economies.

As the lead members responsible for procurement across our two authorities, we are delighted to support this strategy and we look forward to continuing to celebrate the success of our procurement team through to 2018.



Cllr David Elkin



Cllr Denise Le Gal

Introduction from Head of Procurement

I am proud to be presenting this refreshed Procurement strategy that describes the ambitions of my service through to 2018, and how we will use our professional procurement and commercial expertise to support our partners.

Delivering value for money is at the heart of what procurement does. Surveys show that residents' overall satisfaction with the way the Council runs things has a direct correlation with their perception of value for money their Council delivers. This raises the importance of excellent procurement, supplier and contract management, as our ability to demonstrate value for money underpins one of the drivers of residents' satisfaction.

In this Procurement Strategy we have identified and described our ambitions under eight key themes, and for each of these we have explained key actions we will take to deliver the ambition, and how we will measure our success. Importantly we have also described how our customers and staff will be impacted, and how this will support partnership and collaboration.

This Procurement Strategy was created as a result of bringing together the existing local procurement service plans for our partners, East Sussex and Surrey County Councils, created in late 2013. We engaged with stakeholders through a series of face to face discussions to understand what is valued about what we do and how we work, and staff at all levels were asked to help shape the final structure.

I recognise that the context in which the Procurement Service operates will continue to evolve, both locally and nationally. This strategy will be updated and refreshed as necessary to ensure that we continue to provide innovative procurement and commercial support.

Laura Langstaff FCIPS
Head of Procurement



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Procurement Service

Our Purpose

Our purpose is to ensure that commercial arrangements and contracts awarded by Surrey County Council and East Sussex County Council provide great value for money, and that we use our procurement spend to provide the best possible social value for our residents.

We are responsible for:

- Providing professional advice and insight on markets, suppliers and commercial options to help transform service delivery.
- Leading the development of plans for how we spend our money with suppliers from across the private, public and voluntary, community and faith sectors.
- Ensuring that our contracts are developed, awarded and managed and in line with best practice, including developing relationships with our key suppliers.
- Driving social value by encouraging spend with local firms and identifying apprenticeship and skills opportunities through our supply chain.

Our challenges and opportunities

There are a number of challenges and opportunities to the delivery of our services:

- Managing market and cost pressures in an ongoing period of financial austerity for local government, whilst in some sectors facing increasing price and demand from the private sector that impacts our market influence;
- Delivering successful partnerships and driving collaboration through procurement, both locally and regionally;
- Changes to procurement legislation and maximising the use of technology to drive simpler and more cost effective processes for buyers and suppliers; and
- Ensuring that we have the skills, capability and capacity to deliver against our purpose as a service.

Our key actions

We will prioritise three actions for 2015/16 to support achievement of the corporate strategy goals our key customers:

1. Deliver £26m of savings through better management of our suppliers, exploring innovative contracting and commercial models and collaborating with others.
2. Support our local economy by helping to drive spend through our local suppliers and developing markets that meet the needs of those that use our services.
3. Use our procurement spend to deliver improved apprenticeship and skills opportunities in our supply chain.

We will review & refresh our key actions each year of this strategy to ensure that they meet the demands of our customers and partners.

Section 1 Background

Our journey

In 2007 Surrey County Council established a central procurement function responsible for managing the Council's annual external spend on goods, works and services of approx £680m, structured around specific categories of spend. Grouping in this way enabled strategies to be developed to ensure money was spent as effectively as possible.

In 2011 it was recognised that, with increased budget pressure, further efficiencies would be more difficult to sustain and likely to require service re-design, deployment of different commercial models, more partnership working and stronger commercial contract management with our suppliers. During 2011, staff, customers and members were involved in completing a Public Value Review to identify a vision through to 2017, including the changes that needed to be made to put us in the best position to deliver.

In 2011 East Sussex County Council completed an internal review that led to a number of recommendations; including investing in and up skilling the existing procurement function, and bringing together the procurement resource previously distributed across services and departments – into a consolidated service structured around the principles of category management.

The Procurement Partnership was launched in 2012 following Scrutiny by Members and approval of a business case by Cabinets, at both Surrey County Council and East Sussex County Council. This led to subsequent further partnership working between the two authorities, including in IT and Shared Services. More recently the two organisations have announced their ambition to strengthen and broaden the partnership to create a shared business services delivering high quality and value adding professional services, and a Joint Committee has been established to oversee the delivery of services under Orbis.

Establishing the Procurement Partnership

The business case for the Procurement Partnership was predicated on a number of expected benefits, both financial and non-financial:

- Develop and strengthen our ability to manage key supply markets through working jointly
- Significantly up-skill procurement and commercial resource, capacity and competency across both authorities
- Standardise specifications and performance measures for a range of categories, supporting more efficient contract management and driving down cost throughout the supply chain
- Standardise procurement processes, including contract standing orders and other guidance / codes of practice, sharing and adopting common best practice across categories
- Leverage the spend of both organisations to support wider social, economic and environmental targets, and sharing existing best practise
- Create a genuinely shared innovative procurement model, positively reputational impacts and potential expansion into SE7 with reputational dividends for the SE7 grouping.

We recognise that the pace of change in the public sector is dramatic. The demands from our residents and customers, central government policy, and economic, financial and social pressures are all

contributing to a significant shift in Local Government. Since 2012 the improvements made by the procurement function have also been significant, and the role of procurement is continuing to evolve.

We already have an integrated role to play in business planning for the two Councils, and our projects regularly deliver a significant proportion of the efficiencies required in the Medium Term Financial Plans.

As the Councils develop new ways to deliver services to residents to meet their changing needs, we now have a key part to play in offering commercial advice on models that will deliver the best value, both in financial and social terms. This is increasingly being delivered as part of cross-Service teams, and extends to other public sector partners, including those in Health, to private sector suppliers and to the voluntary, community and faith sector.

So this refreshed 2015-2018 strategy for the Procurement Service is intended to align with the timeline of the development of Orbis, supporting the corporate priorities of both our partner organisations, as well as reflecting the current context in which we operate, the increase of our role in a broader range of commercial opportunities, and the opportunities for partnerships and collaborative working.

Linking our Procurement Strategy with Corporate Strategies

Throughout all our activities we support the Corporate Strategies of the Orbis partners. For Surrey County Council the strands of the Corporate Strategy are *Well-Being, Economic Prosperity and Resident Experience*, and for East Sussex County Council these are *Driving Economic Growth, Keeping Vulnerable People Safe, Making Best Use of Our Resources and Helping People Help Themselves*.

Each of our themes direct or indirectly link with the Corporate Strategies of our partners organisations, and the measures included in our strategy directly inform the progress against the overall corporate ambitions of both East Sussex and Surrey County Councils.

More information can be found on the Councils' websites [here](#) and [here](#).

Section 2 What we have achieved

We buy everything from highways maintenance to IT, and from construction of new schools to social care services. In 2013 our Councils won the 'Best Councils to do business with' award given by the Department of Communities and Local Government.

In 2014/15 we delivered almost £30m in cash savings across the two councils by negotiating better deals from our suppliers and continued to increase our spend with local suppliers.

For East Sussex County Council, in this first year of delivery as part of the partnership, we achieved over £2m in building construction, £600k in Highways, and £570k in Transport. For Surrey County Council, projects delivered savings that included £8.3m by maintaining costs in adults and children's social care, £4.3m from our Schools building programme, £2m on our planned maintenance programme, £1.2m from recycling waste from highways maintenance, £1.6m on better IT deals, £715k from lower utility costs, and £400k from agency fee savings for temporary staff.

'BuildEastSussex' was established in 2012 followed by BuildSurrey in 2013. These innovative initiatives are aimed at making it easier for local construction suppliers to bid for contracts from the councils and their main contractors. They also link firms with a whole range of business support from organisations across the counties and provide easy access for them to sign up to provide apprenticeships for local people. The online sites are supported by popular annual conferences and exhibitions, which provide valuable networking opportunities.

Surrey and East Sussex have also launched SupplytoSurrey and SupplytoEastSussex, where public sector organisations from across the two counties can promote contract opportunities and link a broad range of local firms with sources of advice, and with employment and skills development opportunities.

Both councils publish full details of their contracts, invitations to tender, and spending as part of their commitment to open and transparent data for residents.

During 2014/15, we have put in place joint teams to support delivery of our procurement projects, as well as a dedicated team to provide commercial insight for the department, and a common programme office to monitor progress.

Section 3 Looking forward

The rest of this document describes the refreshed vision for the Procurement Service, which will be delivered from Orbis, for the benefit of East Sussex and Surrey County Councils.

The eight themes of the strategy provide the structure and framework from which we will plan and prioritise our work over the next three years. These themes are summarised over the next two pages – and then the ambitions and impact of our actions for each are described in more detail. Each of the eight themes is as important as another in ensuring that we deliver our ambition and meet our overall purpose.

Procurement Strategy 2015-2018



Theme 1: People, skills and development

We will be a success if we have the right people, with the right skills, development opportunities and support. Our strategy is ambitious and we have demanding objectives to deliver, and so we must have a continued focus on **people, skills and development** through to 2018 and beyond. The Procurement service also has a wider role to play in the development of contract management and commercial skills across our customers.

Theme 2: Strategic sourcing

Our customers, stakeholders and suppliers expect and demand us to deliver high quality & efficient **strategic sourcing**. Simple and streamlined processes, delivered by experts with a strong focus on the customer experience will be a core part of our offer. We will continuously review our approach to ensure we respond to feedback, and develop the eProcurement systems we use. We are responsible for optimising the statutory and legal boundaries of EU and UK Procurement Legislation to deliver the best outcomes for residents.

Theme 3: Category Management

Driving savings through a category approach continues to be fundamental to our overall strategy. To drive the greatest benefits from **category management** we need to continue to review our tools, processes and skills, and look across the profession to ensure our approach reflects the very best practice.

Theme 4: Programme Governance

Underlying all of our activities there needs to be a consistent culture of strong project management and **programme governance**. We are responsible for securing the very best value from all of our activities, and a robust, structured and well managed approach is vital. This will ensure that we are using the resource and skills we do have to deliver the very best return.

Theme 5: Contract & Supplier Management

Improving **Contract and Supplier Management** continues to be a key deliverable for our service. Ensuring we are applying a contract management framework to strategic and critical suppliers is essential. As those organisations delivering our services and outcomes for our residents evolve, the importance of managing relationships in a more complex environment will dramatically increase.

Theme 6: Social Value

With the Social Value Act and the development of our **Social Value** Procurement Strategy, we need to have a consistent and best practice approach to using our commissioning and procurement to deliver broader value to our residents, the local economy and our environment. Demonstrating the wider social impact our procurement and contracting activity has had for our residents is key.

Theme 7: Technology & process development

Our commitment is to provide modern and innovative procurement services, and the right **technology and processes**, for our staff and our customers, is vital in achieving our ambition. We will lead on the development of technology strategies that enable our vision across existing and future partners.

Theme 8: Innovative Commercial Support

We need to ensure that the professional skills and experience that we have are used in a wide variety of projects through providing **innovative commercial support**, to a growing range of projects that optimise the use of our assets and drive income for our partners. Investing in, and supporting these activities, will continue to be part of our strategy for the next three years.

Section 4 Delivering our Vision

Objectives for each theme

The rest of this section provides the detail on how we will work to deliver each theme of our procurement strategy, including objectives, actions and clear measures.

Under each of the eight high-level themes we have described our **ambition**, and the **key actions in 2015-2018 to achieve** this. We have also described how our **customers** and our **staff will notice a difference**, and how this supports **partnership and** collaboration. Finally we have captured how we will **measure our success**.

There is a clear sponsor from the Procurement senior management team for each theme. We will also make use of expertise that exists within our own service and beyond, to ensure that we are working towards achieving the ambitions.

We will engage externally with professional networks, including CIPS and other specialist associations, to help guide and shape our thinking. We will also invite our customers, suppliers and local groups that represent businesses, to be involved in providing feedback and constructive challenge to ensure we continue to improve.



Theme 1: People, skills and development

What is our ambition?

To attract, develop and retain the very best procurement and commercial staff with the professional, personal and technical skills to be a success in their roles. The motivation and resilience of our people to deliver is vital, and we will create a culture of happy, effective people that allow our service to thrive.

Key actions in 2015 – 2018 to achieve our ambition

1. Encourage and embed coaching, high performance and positive behaviours in all we do. We will maintain a development and retention programme, capturing professional, personal and technical skills for staff.
2. Continue and grow our commitment to a 'learning culture' organisation, through adopting a 'train the trainer' approach, use of 'Lunch and Learn' knowledge share sessions and project working groups.

3. Place the best people into our service by encouraging internal career development at all levels as well as recruiting the best of external expertise where needed.
4. Invest in opportunities to grow the right talent across the wider department; including apprenticeships.
5. Develop and deliver a high quality training offer to our customers and suppliers, including skills in tendering, maximising Social Value, and behaviours to enable improved Supplier Relationship Management.
6. Ensure our resource is effectively used, by developing a return on investment model supported by effective planning of our available resource against the required workload.

How will our customers notice a difference?

- Our customers will work with knowledgeable procurement people who add value across a range of activities and bring excellent commercial skills and understanding of our services. This will enable our customers to achieve the best commercial results and outcomes for residents.
- We will lead and contribute to training and develop programmes to improve procurement and commercial skills and capability of our stakeholders and suppliers to enable them to work effectively.
- Customers will recognise our support as crucial to the progression of their own service.
- Procurement support will help facilitate the Orbis model for growth by providing sound commercial advice.

How will this enable partnership and collaboration?

- We will enable staff to work effectively with partnership organisations to widen their opportunities for development.
- Working in this way will attract the best talent as we offer more flexible working solutions across a wider geographical area

How will staff notice a difference?

- Staff feel they have the opportunity to develop and progress both personally and professionally.
- Personal Development Plans will support real development opportunities, including wider Council and Orbis opportunities. The results of training will be reflected in manager discussions to achieve tangible outcomes.
- Staff will be active in shaping their own development to meet customer needs, with coaching or mentoring support.
- Results of temperature checks and staff surveys will reflect how our staff feel.
- Consistent standards will result in better handovers when people move roles.
- The opportunity to lead and participate in regular Lunch and Learn sessions will encourage the sharing of knowledge and expertise.
- Our competency framework will be used, regularly reviewed, and support our work to drive ongoing behavioural change.

Measuring our success

- All PDPs will be agreed between staff and managers to capture the approach for development for that individual.
- Absence and retention rates for Procurement staff improve



Theme 2: Strategic Sourcing

What is our ambition?

Our Strategic Sourcing activity (the end-to-end sourcing process) is simple, clear and efficient. We are leaders across the region in delivering a sourcing process that achieves successful outcomes and is a positive and effective experience for our suppliers, customers and staff. We maximise the use of a range of tools and techniques including eTendering, eCatalogues, eAuctions and supplier networks.

Key actions in 2015 – 2018 to achieve our ambition

1. Align Strategic Sourcing Plans to the outcomes of Category Strategies to ensure a clear and robust programme of sourcing activity.
2. Best practice is driven through the tools and standards that we adopt, and these are reviewed regularly.
3. A 'tell us once' approach to supplier data is delivered across all the systems we use to improve the experience for our suppliers, and increase the consistency of our data and analysis.
4. Implement a consistent feedback process, with the results being used to make genuine and sustainable improvements to our processes – adopting a continuous improvement approach.
5. Ensure compliance to UK & EU procurement regulations through our processes, the knowledge of our people, and our approach to regular checks.
6. Define and understand the internal cost of Strategic Sourcing to ensure we are running our end-to-end sourcing process in the most efficient way.
7. Implement processes that ensure strategic sourcing is delivered consistently across Orbis
8. Explore commercial opportunities for all aspects of the Strategic Sourcing process, including delivery of this at a fee for customers.

How will our customers notice a difference?

- Customers will fully understand the end-to-end sourcing process, and their role and responsibilities at each stage.
- Customer will be provided with advice on all aspects of the process.
- We will bring appropriate challenge, and where necessary control, to ensure that our strategic sourcing processes are robust.
- Suppliers will receive regular and constructive feedback at the end of the process to help them shape future bids and participation.

How will staff notice a difference?

- The end-to-end sourcing process will be simple and efficient.
- Supplier and customer feedback will be used to inform future developments in the process.
- The route to market for low value purchases will be simple, quick, and transparent.
- The sourcing strategy that we adopt will encourage and enable the market to respond to the best of their abilities
- Supplier response rates and quality of responses will improve.

How will this enable partnership and collaboration?

- Best Practice end-to-end processes will be standardised and embedded across the all common systems, and this will provide a platform upon which further collaboration can be built.
- Our 'tell us once' approach and standardisation will aid transparency
- We will be a trusted provider of sourcing activity services to the Orbis partners and beyond.

Measuring our success

- Number of Supplier challenges
- Process delivered in line with the defined customer outcomes

A graphic consisting of a light green circle with a darker green outline, containing the text "Category Management" in blue. This circle is positioned above a large, stylized graphic of overlapping arches in shades of green and blue.

Category Management

Theme 3: Category Management

What is our ambition?

To deliver the best possible outcomes for our residents by adopting and embedding a consistent and high quality category management approach to all services procured and commissioned both internally and externally. We will work with customers to ensure that category management supports and informs their plans, as well as identify and delivering wider commercial opportunities. We will use supplier and market insight to maximise the opportunities and achievements category management delivers.

Key actions in 2015 – 2018 to achieve our ambition

1. Develop and deliver innovative and meaningful category strategies across all major areas of spend to an agreed timetable. These category strategies will be integrated across partners where it makes sense to do so.
2. Identify and drive new commercial opportunities from good category management.
3. Maximise the use of intelligence around supplier, market, service design and demand, developing the insight we provide to include forecasting.
4. Be ready to develop category strategies for new areas of spend as our partners and customers grow.

How will our customers notice a difference?

- There will be a clear link between category strategies and the projects we deliver.
- Category strategies will support and complement the commissioning strategies and service plans of our customers and help shape and inform future planning.
- Customers & stakeholders will actively participate in development of strategies that will identify a richer choice of strategic options for delivery.
- Category strategies will add value to customers by bringing knowledge and understanding of an area of spend; including market expertise, cost and price factors, supply chain pressures and options for models of delivery.
- Data and intelligence will be used to inform the thinking and decision making which will lead to improved outcomes on projects.

How will staff notice a difference?

- Procurement staff will be involved in business planning, with an increasingly complex facilitation role across departments, services and organisations.
- Staff will be enabled to broaden their category knowledge and develop their professional expertise by working across different categories, and with a wider range of partners.
- Staff will have access to the tools, development and support needed to deliver high quality category strategies, including timely, useful and user friendly intelligence and data.
- Our Commercial Insight team will have access to the tools, training development and support needed to deliver high quality insight products

How will this enable partnership and collaboration?

- We will use our Category Management approach to maximise the opportunities for partnerships and collaboration with others; including Health, other Councils and the wider public sector.
- We will lead regional and national procurement activities, and provide commercial leadership and opportunities for partnerships with others in the public, private and the voluntary, community and faith sector.
- Where appropriate our Category Management approach will allow us to use our leverage, buying power, market leadership and influence in the region & beyond.
- We will use our professional networks to facilitate partnerships with other organisations for the benefit of our customers & residents.

- We will act on behalf of our partners and they will trust us to do this.
- We will have a clear and dedicated lead for the Voluntary, Community and Faith Sector.

Measuring our success

- £ savings delivered from procurement, contract and supplier management activities
- Percentage spend covered by category strategies



Theme 4: Programme Management & Governance

What is our ambition?

The delivery of all our projects and programmes will be robustly managed in a visible way through a performance management system and in line with agreed methodology.

Key actions in 2015 – 2018 to achieve our ambition?

1. All projects in Procurement will be tracked and managed consistently in line with our category management methodology, using the documentation in our toolkit.
2. Project progress will be tracked through gateways throughout the lifecycle, and clear and consistent governance will be in place via Procurement Review Group or other Project Boards where appropriate. This will be facilitated by our Programme Office.
3. Ensure Risk Management is a core element of our performance management approach and is linked to corporate risk management across the partnership
4. We will increase our focus on lessons learned to capture and apply these to other projects, with embedded peer review for key projects.

How will our customers notice a difference?

- We will agree time, quality and budget parameters for projects with our customers, and ensure these are delivered and customers engaged and updated as projects progress.
- We will have a consistently high level of customer satisfaction with our delivery.
- Progress against our projects will be easily visible and transparent to all of our customers.

How will staff notice a difference?

- Project and Programme Management will be a visible and proactive part of the way we deliver our work.
- Everyone will be clear about what they are expected to deliver and personal objectives will be agreed to capture this.
- Our project pipeline will be maintained on Performance Plus and will be visible across all teams and to colleagues across Orbis in Finance, Legal and Business Operations.
- Everyone will know which our key projects are as a Service, and how they are progressing, including risk management.

How will this support partnership and collaboration?

- Project and Programmes will be managed consistently, with common documentation and governance.
- Stakeholders will be given clear and accurate information on project progress.

Measuring our success

- Customer feedback on project delivery, measured using surveys & CSE
- Audit / Monitoring of relevant procedures & controls
-



Supplier Management

Theme 5: Contract & Supplier Management

What is our ambition?

Our ambition is to be recognised as an SRM leader in the public sector. We will achieve this by delivering efficiencies, savings and service quality improvements through a proactive and consistent approach to supplier and contract management. This approach will also maximise commercial opportunities, reduce risk throughout the supply chain and support the delivery of best practice contract and supplier management. The ambition will be supported through a programme of training to all required officers to enable them to develop better relationships, improve social value outcomes, improve performance and optimise value for money. An appropriate electronic contract management system will become a key source of information on the performance of our suppliers.

Key actions in 2015 – 2018 to achieve our ambition

1. A contract and supplier management framework will be implemented across all strategic and critical suppliers by the end of 2015/16
2. We will embed an improved approach to supply chain risk and business continuity planning across all of our strategic and critical suppliers
3. Where appropriate, the framework will be implemented beyond strategic and critical suppliers to extend the achievement of savings, service quality and efficiency benefits
4. We will build a business case that makes recommendations for ongoing improvements in our approach to develop contract and supplier management, and implement this.
5. We will review our need for an eCMS and implement improved technology accordingly.

How will our customers notice a difference?

- Customers will be supported by specialised knowledge of SRM team and category specialists
- eCMS will offer clear visibility of contracts
- Efficiencies, improvements and savings will be delivered through contract and supplier relationship management
- Performance of strategic contracts will be transparent and reported through the eCMS dashboard
- Suppliers will benefit from open and structured relationships
- Benefits will be gained from jointly managing suppliers who deliver services to both Councils

How will staff notice a difference?

- Clear roles and responsibilities for supplier and contract management
- Collaborative management of relationships will open opportunities for future growth
- Higher levels of performance will increase the reputation of both Councils
- An opportunity to collate and share centrally all contract related documentation including KPIs, SLAs, governance records and reporting

How will this enable partnership and collaboration?

- We will promote collaborative working within procurement and service stakeholders across East Sussex and Surrey County Councils, as well other partners, to leverage key supplier relationships
- We will promote collaborative working relationships with key suppliers to maximise opportunities

Measuring our success

- Benefits identified at the beginning of the contract are delivered
- Additional benefits achieved from SRM activities are documented by means of case studies



Theme 6: Social Value

What is our ambition?

We will delivery additional value for our residents through the way in which we spend money on goods, works and services. This will be done by considering economic, social and environmental well-being in relation to our procurement processes, stakeholder engagement and contract implementation across the supply chain.

We will ensure greater visibility and influence over our supply chains, and work with our suppliers to utilise and positively deliver local benefits from public and private sector partners. We will continue to create opportunities for Voluntary and Community Sector (VCS) organisations to become part of our supply chains.

Key actions in 2015 – 2018 to achieve our ambition

1. Focus on increasing our spend with local suppliers across all categories, with a particular emphasis on developing local supply chains in sectors that will deliver the biggest impact on economic growth, including employment and skills opportunities, over the longer term.
2. Engage with our suppliers and markets to identify and secure apprenticeships and other work opportunities for local residents, to proactively address skills shortages.
3. Use our influence within the region to increase local spend in all counties and secure apprenticeships and other work opportunities on a wider scale.
4. Engage with our suppliers to raise awareness of environmental and sustainability requirements which need to be factored into future contracts as appropriate.
5. To have consistent and aligned policies across the partnership that use best practice and learning.
6. Implement mechanisms for identifying, monitoring and measuring Social Value, which allow us to be open and transparent about the benefits achieved and the cost of delivery.
7. Use our Social Value Strategy for Procurement to ensure that we are meeting the actual need of our local communities.
8. Develop stronger links with other organisations (including business groups, LEP's, Schools & Colleges, VCS and community groups) in order to deliver the Social Value Strategy for Procurement.

How will our customers notice a difference?

- We work with customers and suppliers to put in place contracts that will deliver greater Social Value.
- They will see an increase in the level of early engagement by procurement.
- Our Social Value requirements and expectations will be easy to understand and respond to.

How will staff notice a difference?

- They will play an important role in achieving our Social Value Strategy for Procurement, including active participation in workshops and events to raise the profile of Social Value.
- They will see the benefits of Social Value being delivered through the sharing of success stories and best practice examples.

How will this enable partnership and collaboration?

- Our partner organisations will be recognised across the public sector as having a genuine focus on Social Value and enable others to share our learning.
- A focus on wider value from procurement will encourage collaboration with our stakeholders, including VCS and Health.

Measuring our success

- Employment and Skills development in the local economy - including number of apprenticeships and work placements secured via our supply base.
- Percentage of spend through local suppliers.
- 2016-17: Following completion of key action no. 6, new measure to be added.



Theme 7: Technology & processes

What is our ambition?

Our processes will be clear and simple to identify and use and our service delivery will be supported by the right technology to deliver best value.

Key actions in 2015 – 2018 to achieve our ambition?

1. Our technology strategy will be clearly linked to overall technology and digital strategy and corporate governance
2. Development of existing technology managed through a controlled change process for all systems across the procure-to-pay process (including e-tendering, e-contract management, purchasing and payment systems for all other Services and comprehensive analytics tools) as well as our programme management and tracking systems.
3. Our data will be managed to defined quality standards

How will our customers notice a difference?

- Customers will find it easy to use our systems to support their own business needs, and will see increased automation, reducing the requirement for administration

How will staff notice a difference?

- Systems will be easy to use, and procurement projects will be supported by simple processes and sound analytics
- Teams will have access to self-serve consistent and reliable management information

How will this support partnership and collaboration?

- Technology will, where appropriate, be on shared platforms accessible across the partnership
- Data will be consistent and comparable across the partnership
- Dependencies from, and on, local partner corporate systems will be well understood

Measuring our success

- Documented technology strategy in place and agreed with key stakeholders
- Controlled change process in place



Theme 8: Innovative Commercial Support

What is our ambition?

To provide commercial input and leadership to a wide range of projects, including those that generate income for our partner organisations, and those that explore or create new models of delivery. Develop and maintain the skills and knowledge needed to provide real value and insight to the development of plans, right through to successful delivery.

Key actions in 2015 – 2018 to achieve our ambition?

1. Build and develop relationships with key stakeholders to understand the ambitions around new models of delivery, working across Orbis and beyond.
2. Define, and review, a clear resource model to ensure that we have the capacity to provide commercial input and leadership to a growing project portfolio.
3. Invest in developing and attracting the people with the skills we will need to deliver the type and level of support needed.

How will our customers notice a difference?

- Our customers will have strong commercial support to help shape, develop and challenge thinking around how to maximise income and models of delivery.
- Procurement staff will be involved in the right networks to support projects at an early stage.
- Commercial opportunities and risks will be identified early and maximised and/or mitigated as appropriate.

How will staff notice a difference?

- There will be a varied and challenging workplan of projects to develop commercial skills.

- The ability for procurement to influence our partner organisations will extend beyond the traditional reach of our function
- Support, mentoring and coaching opportunities will be provided.
- Insight and analysis will be continuously developed to ensure that we are leaders in our profession

How will this support partnership and collaboration?

- The Procurement Service will use their position in Orbis to develop opportunities for joint projects, acting as a facilitator between our partner organisations and beyond
- Working with colleagues in Health will further enable strong collaborative links to be developed and exploited
- New models of delivery that maximise our relationship with other parts of the public sector, including local and central government will be supported

Measuring our success

- £ income generated

Procurement Performance Indicators

| Theme | Measure | Target 15/16 | Target 16/17 | Target 17/18 |
|---|--|----------------------------|--------------|--------------|
| People and Skills | Personal Development Plans developed and completed annually | 100% | 100% | 100% |
| | % absence rate | | | |
| | % annual staff turnover | 15% | 12% | 10% |
| Strategic Sourcing | Number of bidder challenges | 0 | 0 | 0 |
| Category Management | £ cashable savings delivered | | | |
| | % spend covered by category strategies | 80% | 80% | 80% |
| Programme Management and Governance | %positive customer survey feedback on project delivery | 85% | 90% | 90% |
| | Process / control audits with 'major improvement' or 'ineffective' opinion | <4 | <2 | 0 |
| Contract & Supplier Management | Identified contract benefits delivered (% reported positive results from annual sample survey) | 90% | 90% | 90% |
| Social Value | Number of apprenticeships and work placements secured via our supply chain | | | |
| | %spend through local suppliers | >50% | >50% | >50% |
| | %spend through SME suppliers | 25% | 25% | 25% |
| Technology & Process Development | Technology strategy in place and agreed with key stakeholders | | | |
| | Controlled change process in place | | | |
| Innovative Commercial Support | £ income generated | To be recorded and tracked | | |

Procurement and Commissioning - Joint Category Strategy Schedule

As at 17 June 2015

| Team | To Be Completed By | Joint Y/N | Completion date | 2015/2016 | | | | 2016/2017 |
|--|---|-----------|------------------|-----------|-----------|-----------|-----------|-----------|
| | | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| | REVIEW MEETING TO BE HELD DURING | | | 30-Jun-15 | 30-Sep-15 | 19-Dec-15 | 31-Mar-16 | 30-Jun-16 |
| | | | | 01-Jul-15 | 01-Oct-15 | 01-Jan-16 | 01-Apr-16 | 01-Jul-16 |
| Adults | | | | | | | | |
| | Older People (Resi/DomCare/ExtraCare) | Surrey | Apr-14 | | | | | |
| | Older People (Resi/DomCare/ExtraCare) | ESCC | | | | | | |
| | Mental Health (Resi/DomCare/ExtraCare) | Surrey | | | | | | |
| | Mental Health (Resi/DomCare/ExtraCare) | ESCC | | | | | | |
| | Learning Disabilities (Resi/DomCare/ExtraCare) | Surrey | Dec-13 | | | | | |
| | Learning Disabilities (Resi/DomCare/ExtraCare) | ESCC | | | | | | |
| | Social Care Equipment (+support services) | Surrey | | | | | | |
| | Social Care Equipment (+support services) | ESCC | | | | | | |
| | Public Health | Surrey | Jan-14 | | | | | |
| | Public Health | ESCC | May-15 | | | | | |
| | Supported Accommodation | ESCC only | | | | | | |
| | Third Sector (Prospectus) | ESCC only | | | | | | |
| Children Schools & Families | | | | | | | | |
| | Children with Disabilities | Y | | | | | | |
| | Looked-after Children Care Services (residential (1) / fostering (2)) | Y | Sep-14 | | | | | |
| | Services to Schools | Y | | | | | | |
| | Youth Services | Y | | | | | | |
| | Early Years | Y | | | | | | |
| | Education (Incl SEN) | Y | | | | | | |
| | Therapy | Y | Dec-13 | | | | | |
| | Health | Y | | | | | | |
| Corporate | | | | | | | | |
| | Consultancy | Y | | | | | | |
| | Financial Services | Y | | | | | | |
| | Legal Services | Y | | | | | | |
| | Advertising | Y | | | | | | |
| | Temporary & Agency Staff | Y | | | | | | |
| | Training & Development | Y | | | | | | |
| | Conferences, Venue Hire & Travel | Y | | | | | | |
| | Flexible Benefits | Y | | | | | | |
| | Recruitment & Assessment | Y | | | | | | |
| IT | | | | | | | | |
| | IT - all sub-categories | Y | | | | | | |
| | Telecommunications | ESCC Only | Sep-14 | | | | | |
| | Hardware | ESCC Only | | | | | | |
| | Software | ESCC Only | | | | | | |
| Environment & Communities | | | | | | | | |
| | Waste & Environmental Services | Y | | | | | | |
| | Fire & Rescue (Capital purchase) | Surrey | | | | | | |
| | Passenger transport | Y? | Apr14 (SCC only) | | | | | |
| | Transport (Bus Services) | ESCC Only | | | | | | |
| | Transport (Taxi minibus and coach) | ESCC Only | Aug-14 | | | | | |
| | Environmental works | Surrey | | | | | | |
| | Open Spaces (incl Countryside) | ESCC? | | | | | | |
| | Highways (Inc Street lighting) | Surrey | Mar14 (SCC Only) | | | | | |
| | Highways Maintenance | ESCC Only | Nov-14 | | | | | |
| | Fleet | Surrey | | | | | | |
| | Fleet Management | ESCC Only | | | | | | |
| Property | | | | | | | | |
| | Major capital works Schools | Y | | | | | | |
| | Modular & volumetric buildings | Y | | | | | | |
| | Utilities & carbon reduction | Y | | | | | | |
| | Asset strategies & general build | Y | | | | | | |
| | Professional & technical servies | Y | | | | | | |
| | FM & specialist works | Y | | | | | | |

KEY

Complete

Scheduled

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