

Committee: Executive
Date: Monday 4 April 2011
Time: 6.30 pm
Venue: Bodicote House, Bodicote, Banbury, OX15 4AA

Membership

Councillor Barry Wood (Chairman)	Councillor G A Reynolds (Vice-Chairman)
Councillor Ken Atack	Councillor Norman Bolster
Councillor Colin Clarke	Councillor Michael Gibbard
Councillor James Macnamara	Councillor Nigel Morris
Councillor D M Pickford	Councillor Nicholas Turner

AGENDA

1. **Apologies for Absence**

2. **Declarations of Interest**

Members are asked to declare any interest and the nature of that interest that they may have in any of the items under consideration at this meeting.

3. **Petitions and Requests to Address the Meeting**

The Chairman to report on any requests to submit petitions or to address the meeting.

4. **Urgent Business**

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

5. **Minutes** (Pages 1 - 12)

To confirm as a correct record the Minutes of the meeting held on 7 March 2011.

Strategy and Policy

6. Corporate Debt Recovery Policy 2011/12 (Pages 13 - 32)

6.35 pm

Report of Head of Finance

Summary

The purpose of this paper is to present to the Executive for discussion and onward approval to full Council, the draft Corporate Debt Policy. The policy (Appendix 1) sets out the Council's framework for providing a consistent 'fair but firm' approach to collecting debt, ensuring that the Council continues to maximise collection performance.

Recommendations

The Executive is recommended:

- (1) To review and comment on the content and format of the Corporate Debt Policy (Appendix 1) to inform its onward progress to Full Council for approval.

Value for Money and Performance

7. Corporate Procurement Strategy and Action Plan 2011/12 (Pages 33 - 78)

6.45 pm

Report of Head of Finance

Summary

This report brings forward for Executive consideration, the refreshed procurement strategy and action plan for 2011/12 for the Council. The primary objective of the procurement strategy is to procure services that are affordable, fit for the purpose, meet the needs of local people and service users and provide value for money.

Recommendation:

The Executive is recommended:

- (1) To consider and approve the Corporate Procurement Strategy and Action Plan for 2011/12 which is attached at Appendix 1.

Urgent Business

8. Urgent Business

Any other items which the Chairman has decided is urgent.

9. Exclusion of the Press and Public

The following report contains exempt information as defined in the following paragraph of Part 1, Schedule 12A of Local Government Act 1972.

3– Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Members are reminded that whilst the following item has been marked as exempt, it is for the meeting to decide whether or not to consider each of them in private or in public. In making the decision, Members should balance the interests of individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.

Should Members decide not to make a decision in public, they are recommended to pass the following recommendation:

“That, in accordance with Section 100A(4) of Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that they could involve the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.”

10. Landscape Maintenance Contract Negotiations (Pages 79 - 84) 7.05 pm

Report of Head of Safer Communities, Urban and Rural Services

Summary

To advise the Executive on the position with regard to the landscape maintenance contract negotiations.

(Meeting scheduled to close at 7.20pm)

Councillors are requested to collect any post from their pigeon hole in the Members Room at the end of the meeting.

Information about this Meeting

Apologies for Absence

Apologies for absence should be notified to democracy@cherwell-dc.gov.uk or (01295) 221587 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item. The definition of personal and prejudicial interests is set out in the constitution. The Democratic Support Officer will have a copy available for inspection at all meetings.

Personal Interest: Members must declare the interest but may stay in the room, debate and vote on the issue.

Prejudicial Interest: Member must withdraw from the meeting room and should inform the Chairman accordingly.

With the exception of the some very specific circumstances, a Member with a personal interest also has a prejudicial interest if it is one which a Member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

Evacuation Procedure

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the car park as directed by Democratic Services staff and await further instructions.

Access to Meetings

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

Mobile Phones

Please ensure that any device is switched to silent operation or switched off.

Queries Regarding this Agenda

Please contact James Doble, Legal and Democratic Services james.doble@cherwell-dc.gov.uk (01295) 221587

Ian Davies
Interim Chief Executive

Published on Friday 25 March 2011

Agenda Item 5

Cherwell District Council

Executive

Minutes of a meeting of the Executive held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 7 March 2011 at 6.30 pm

Present: Councillor Barry Wood (Chairman)
Councillor G A Reynolds (Vice-Chairman)

Councillor Ken Atack
Councillor Norman Bolster
Councillor Michael Gibbard
Councillor James Macnamara
Councillor Nigel Morris
Councillor D M Pickford
Councillor Nicholas Turner

Also Present: Councillor Nick Cotter

Apologies for absence: Councillor Colin Clarke

Officers: Ian Davies, Interim Chief Executive and Head of Paid Service
John Hoad, Strategic Director - Planning, Housing and Economy
Philip Clarke, Head of Planning Policy and Economic Development
Karen Curtin, Head of Finance
Liz Howlett, Head of Legal & Democratic Services and Monitoring Officer
David Marriott, Head of Regeneration & Estates
Ed Potter, Head of Environmental Services
Claire Taylor, Corporate Strategy and Performance Manager
Bob Duxbury, Development Control Team Leader
Jacqui Hurd, Customer Service Manager
Natasha Clark, Senior Democratic and Scrutiny Officer

118 **Declarations of Interest**

Members declared interests in the following agenda items:

7. Cherwell District Council's Response to Heavy Snow.

Councillor Nicholas Turner, Personal, as a member of an Oxfordshire County Council scrutiny committee which had considered the issue and as Chairman of Banbury, Bicester and Woodstock Farmers Union who had worked with Oxfordshire County Council on addressing the issue of heavy snow.

119 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

120 **Urgent Business**

There were no items of urgent business.

121 **Minutes**

The minutes of the meeting held on 7 February 2011 were agreed as a correct record and signed by the Chairman.

122 **Population and Household Projections for Cherwell and Key Implications for the Local Development Framework**

The Head of Planning Policy and Economic Development submitted a report which outlined for members the updated population & household projections for Cherwell and to consider the implications in terms of proposed changes to the Local Development Framework procedures and the consideration of a locally determined level of growth for the district. The item had been deferred from the 7 February Executive meeting to enable Members to receive further information on the subject.

Resolved

- (1) That the information contained in this report and in the attached technical paper be noted.
- (2) That the emerging broad population and household figures for Cherwell District for the period up to 2026 set out in the annex to these minutes (as set out in the minute book) be agreed as a basis for further work on the Core Strategy.

Reasons

The preparation of the Local Development Framework is a statutory requirement. However, the Government has proposed that changes to the statutory procedures for the preparation of Local Development Frameworks will be introduced in April 2012. These changes are expected to include greater responsibility for local planning authorities in assessing their local housing needs. The population and household projections set out in this report, together with the options for taking forward this work, will provide a basis for the Council to undertake further work to refine the Draft Core Strategy.

Options

Option One To agree the recommendations as set out in the report.

Option Two To amend the recommendations

Option Three Not to agree the recommendations.

123

Cherwell District Council's Response to Heavy Snow

The Head of Environmental Services which sought consideration of the Council's response to the heavy snow in December 2010 and improvements to that response in similar circumstances in the future.

Resolved

- (1) That the problems and issues which arose from the heavy snow fall prior to Christmas be noted.
- (2) That the proposed actions to improve the Council's response to future severe winter weather events as set out in the annex to these minutes (as set out in the minute book) be approved.
- (3) That any proposed equipment purchased will be acquired within existing budgets during 2011/12 be noted.
- (4) That officers be requested to consider if the snow plan should be presented to a future Parish Liaison meeting.

Reasons

The heavy snowfall in December 2010 was the greatest for many years and caused disruption to services, more so due to the effect of Christmas. A number of possible improvements which would make services more resilient in the event of heavy snowfall have been investigated. Many of these are low cost or no cost improvements and involve procedural changes, better co-ordination or provision of better information.

A proposed priority of response and committing resources has been established. It is based on returning public services to normal operation as swiftly as practicable. By implementing the action plan services will be more resilient for any future heavy snowfall events.

Options

Option One To approve the proposed action plan as outlined in paragraph 2.29 to 2.30 of the report

Option Two To reject the proposed action plan

Option Three To ask officers to modify the proposed action plan

124 **Kidlington Pedestrianisation and Traffic Regulation Order**

The Head of Regeneration and Estates submitted a report which sought the Council's approval to enter into an agency agreement with Oxfordshire County Council, to formally promote a new Traffic Regulation Order for Kidlington High Street.

Resolved

- (1) That an agency agreement between Oxfordshire County Council, the Highway Authority, and Cherwell District Council to enable Cherwell District Council to formally promote a new Traffic Regulation Order (TRO) for Kidlington High Street be approved.

Reasons

This project is identified as a priority in the Regeneration and Estates Service Plan and is a key partnership project undertaken at the request of the Kidlington Village Centre Management Board and Kidlington Parish Council.

Options

Option One Approve the agency agreement for the scheme to move forward.

Option Two Reject the agency agreement. However this will result in the postponement of any further work on the scheme and a failure to meet Service Plan targets.

125 **Proposals for High Speed Rail - HS2**

The Strategic Director Planning, Housing and Economy submitted a report which provided information on the Government's intentions with regards to High Speed Rail and its impact upon the District, and to enable consideration of the need to co-operate with and financially contribute to an emergent group of Councils along the declared preferred route to contest the proposals.

Councillor Cotter, Leader of the Opposition, spoke in opposition to the recommendation to make up to £50,000 from Planning Control Reserves as a contribution towards the fund being formed to campaign against the proposals and to fund consultancy work required to assist in the detailed assessment of the impact upon individual properties and communities along the Cherwell section of the preferred route (notionally £20,000).

Resolved

- (1) That it be agreed to join with other Authorities along the preferred route to campaign against the proposals.

- (2) That it be agreed to make available up to £50,000 from Planning Control Reserve
 - a. as a contribution towards the fund being formed to campaign against the proposals and;
 - b. To fund consultancy work required to assist in the detailed assessment of the impact upon individual properties and communities along the Cherwell section of the preferred route (notionally £20,000).
 - c. delegate to the Strategic Director Planning, Housing and Economy in consultation with the Portfolio Holder the final distribution of this funding
- (3) That Planning Committee be asked to steer the detailed assessment of impact and to make the Council's representations thereon.
- (4) That the Strategic Director Planning, Housing and Economy be required to bring a further detailed report to the Executive towards the end of the consultation period to enable consideration of Council's formal response to the consultation.

Reasons

The key issues considered in this report are the degree of involvement to be had with the emergent group of local authorities, and the extent of financial commitment to that grouping, and to the need to hire in consultancy support for the assessment of the strategic case and environmental impact.

Options

- | | |
|---------------------|---|
| Option One | Agree to co-operate with the emergent group of authorities, and our adjacent colleagues in South Northants, with a financial undertaking of £50,000 towards the campaign against the proposals, and for consultancy assistance. |
| Option Two | Agree to the above co-operation with a greater or smaller, financial contribution |
| Option Three | Be self contained in our assessment of the proposals within our own existing resources |

Performance and Risk Management Framework 2011/12

The Interim Chief Executive and Corporate Strategy and Performance Manager submitted a report which outlined the Council's performance and risk management arrangements for 2011-2012 reviewed in the context of significant changes to the national performance and inspection regime.

Resolved

- (1) That the proposed approach to performance and risk management for 2011/12 be agreed and that these changes are reflected in the Council's Performance and Risk management Framework.
- (2) That the measures and risks that will make up the Council's performance and risk management framework for 2011/12 be agreed.
- (3) That officers report on any new performance requirements instigated by the government in the quarterly Executive reports throughout 2011/12 and work to identify and adopt examples of good practice nationally to ensure the Council's performance management remains robust and transparent.

Reasons

This report presents the Council's proposed approach to performance management from 2011/12. It reflects changes in national policy and outlines a clear locally determined approach to ensure performance and risk management remains robust and focused on local priorities. The report also highlights areas where savings and efficiencies in relation to performance management have been found.

Options

Option One

The Executive is recommended:

To agree the proposed approach to performance and risk management for 2011/12 and request that these changes are reflected in the Council's Performance and Risk management Framework.

To agree the measures that will make up the performance management framework for 2011/12.

To request that officers report on any new performance requirements instigated by the government in the quarterly Executive reports throughout 2011/12 and work to identify and adopt examples of good practice nationally to ensure the Council's performance management remains robust and transparent.

Option Two

To identify any additional issues for further consideration or review.

Management Practices for 2011/12 which fulfilled two key requirements of the Local Government Act 2003:-

- approval of the Treasury Management Policy in accordance with the CIPFA Code of Practice on Treasury Management; and
- approval of the Investment Strategy in accordance with the CLG investment guidance.

Resolved

- (1) That the Treasury Management Policy and Investment Strategy 2011/12 be recommended to Council for approval.

Reasons

The highest standard of stewardship of public funds remains of the upmost importance to the Council. The 2011/12 Treasury Management Strategy and Treasury Management Practices document sets out the Council's priorities and policies for making, and managing investments made by the Council in the course of undertaking treasury management activities during the 2011/12 financial year.

Options

Option One

To review draft strategy and consider proposals arising.

Option Two

To approve or reject the recommendations above or request that Officers provide additional information.

128

Customer Service Value for Money Review and Customer Intelligence Project

The Interim Chief Executive submitted a report which sought consideration of the findings of the Value for Money (VFM) Review report and the Customer Intelligence Improvement report, and the recommendations arising from these.

The Executive expressed their thanks to all staff in the Customer Services Team for their ongoing hard work to date in improving the service and stressed the importance of continuing to improve and develop the service to maintain the high level of service.

Resolved

- (1) That the overall conclusions of the Customer Service VFM and Customer Intelligence reports be endorsed.
- (2) That a new vision for Customer Service to 2013/14 that seeks to reduce the cost of the service, retain or improve on existing levels of

satisfaction, reduce avoidable contact, manage demand and encourage greater use of online services be adopted.

- (3) That a customer service transformation programme, involving all service areas, that will drive improvement in Customer Service through adopting smarter working methods to reduce avoidable contact and transactions, and through managing demand to reduce peaks and troughs in levels of transactions be commenced.
- (4) That the key performance measures of speed of telephone response and call abandonment rate for the Council's corporate score card be adopted.
- (5) That a two-year cost savings target of £257,462 for Customer Service that addresses the high cost of the service but in a sustainable way, with minimal impact on overall service to the public, as follows, be established;
 1. Include the elimination of all vacant posts by 2012/13, to allow time for the new payment kiosks to reduce current workload, and seek to reduce the establishment by an additional 1 FTE per annum as the transformation programme reduces overall levels of contact
 2. Note savings of £125,654 built into the 2011/12 budget as follows;
 - a. Install payment kiosks (saving £65,000) as approved
 - b. Remove a vacant customer service specialist post (saving £17,000)
 - c. Remove vacant hours provision (saving £20,000)
 - d. Reduce the establishment by 1FTE (saving £23,654)
 3. Make further savings of £131,808 in 2012/13 as follows;
 - a. Eliminating all remaining vacant posts (saving £85,154)
 - b. Reducing the establishment by an additional 1 FTE as levels of contact decline through improved working (saving £23,654)
 - c. Reducing accommodation costs through plans to move out of Bicester Market Square in 2012/13 (saving £23,000) as part of the town centre project, with the service being required to find this saving by other means should the scheme not progress by this date.
- (6) That discussions on the nature and number of LinkPoint offices be included in the Council's forthcoming work on its Medium Term Financial Strategy.

Reasons

The Council's current Customer Service function has high levels of customer satisfaction and multiple access routes, but is expensive to provide and does not utilise customer intelligence effectively.

Best practice shows that transformation projects can significantly reduce costs and improve customer service through reducing avoidable contact, migrating contact to less expensive channels and greater use of customer intelligence

The pace and scale of savings is critical to the ability of the service to implement them in a sustainable manner that does not impact on overall levels of customer satisfaction.

The scope of savings possible may be limited while maintaining current approaches to service provision. For example, maintaining four LinkPoint Offices is known to consume a set level of staff resource (£296,000). The decision to continue to take cash also has cost implications.

Further savings may be possible through the proposed Transformation Programme and/or through joint working with South Northants.

Options

Option One To limit savings in the service to a single year reduction of £135,654 and not implement a transformation programme. While this will be less disruptive it will not drive out the potential savings within the service or improve the customer experience

Option Two To implement a transformation programme with a two-year savings target of £257,462.

Option Three To revisit the current policy of LinkPoint office provision as part of a wider consideration of service delivery. The following table illustrates the maximum possible financial savings of a change in policy ;

	Average Transactions (monthly)	Customer Service Staff (FTE)	Salaries (Annual)	"Savable" Premises Costs
Kidlington	890	2.5	£59,135	£5,538
Bicester	2,346	3	£70,962	£35,960
Bodicote	1,959	3	£70,962	No saving
Banbury	3,521	4	£94,616	No saving

Benefits of the current LinkPoint provision are;

- The council provides of preferred means of contact for some people and provides a local council presence in towns

- it ensures the ability to pay at the point of service;
- it allows the council to share its premises with other agencies (CAB, Job Centre Plus) to provide joined-up service delivery
- it provides a distributed contact centre resilience (i.e. calls answered at Link Point offices instead of Bodicote House)
- it offers the possibility of delivering new or enhanced services, such as visitor information
- some form of face to face presence will always be needed for document presentation/verification, reception services etc.
- meeting some contractual obligations, such as delivering concessionary fares services for Oxfordshire County Council

Other than financial savings, the advantages of a change in policy are:

- it provides an incentive for customers to move to telephone or online services rather than stay with face-to-face services;
- greater volumes of contact can be processed than at present due to the more efficient nature of alternative channels, and most (current) face to face services can be provided in this way;
- more efficient staff deployment will be possible as there will be no need to provide lone working/lunchtime cover, or the need to factor in as much staff travel time;
- closure of the Castle Quay LinkPoint would enable more flexibility of service provision/shop income for the Museum/TIC Trust;
- as a predominantly rural district it could be argued that town centre provision does not provide the most equitable of service. More equitable face to face provision can be provided on an outreach or surgery basis, and using other organisations' buildings. A programme of visits could cover a wider area than at present

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Award of Contract for a Combined Insurance Programme for Cherwell District Council

The Head of Finance submitted a report which sought approval for the award of a contract for a Combined Insurance Programme with the deletion of one policy and the increasing of excesses to those agreed in October 2009.

Resolved

- (1) That the insurance policy for money be discontinued and excesses on a range of continuing policies be increased.
- (2) That a contract for a Combined Insurance Programme be awarded to Zurich Municipal for a period of three years from 1 April 2011 with the allowance purely at the discretion of the Council to extend by up to a further four years in one year increments.

Reasons

The solution provided by Zurich Municipal will not only provide further premium savings of more than £33,000 to those already achieved over the last few years – the 2009/10 extension resulting in savings of more than £30,000 and the 2009 VfM exercise netting an additional £65,000 of savings in 2010/11 – resulting in insurance premium costs coming down £464,000 in 2003/4 to £209,718.58 in 2011/12, but will also provide a robust support system involving telephone, email and web based advice during a substantial change in contract management responsibilities.

130 **Exclusion of the Press and Public**

That, in accordance with Section 100A(4) of Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that they could involve the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.

131 **Award of Contract for a Combined Insurance Programme for Cherwell District Council - Exempt Appendix 1**

The Committee considered the exempt annex to the report of the Head of Finance on the Award of Contract for a Combined Insurance Programme for Cherwell District Council.

Resolved

- (1) That the exempt annex be noted.

The meeting ended at 8.20 pm

Chairman:

Date:

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Executive

Corporate Debt Recovery Policy 2011/12

4 April 2011

Report of Head of Finance

PURPOSE OF REPORT

The purpose of this paper is to present to the Executive for discussion and onward approval to full Council, the draft Corporate Debt Policy. The policy (Appendix 1) sets out the council's framework for providing a consistent 'fair but firm' approach to collecting debt, ensuring that the Council continues to maximise collection performance.

This report is public

Recommendations

The Executive is recommended:

- (1) To review and comment on the content and format of the Corporate Debt Policy (Appendix 1) to inform its onward progress to Full Council for approval.

Executive Summary

Introduction

- 1.1 The policy sets out the principles of recovering debt at Cherwell District Council and will support officers and Members in understanding the purpose and role of debt collection. The Council is required to collect income from private individuals and businesses for a variety of reasons some statutory while others may be discretionary or essential for well being. In undertaking this process it is inevitable that the Council will be required to pursue the recovery of arrears from individuals or businesses that may experience difficulty in paying such accounts. An agreed policy of how the Council manages and collects debts is key in ensuring consistency and best practice.

Proposals

- 1.2 The policy will apply to all Council departments and will not prejudice any legal action the Council may wish to take in recovery of the debt. It seeks to be 'fair but firm' and the full range of collection and recovery methods will be

exercised if debts are not paid. The policy objectives are to collect debt promptly, effectively, efficiently and economically, while ensuring fair treatment to all debtors.

The aims of the policy are:

- Ensure a professional, consistent and timely approach to recovery action across all Council functions
- Help minimise debts to the Authority
- Promote a co-ordinated approach to sharing debtor information and managing multiple debts owed to the Council.
- Ensure that individual and exceptional circumstances are given due consideration when pursuing debts
- Ensure that debts are managed in accordance with legislative provisions and best practice
- Treat individuals consistently and fairly, regardless of age, sex, gender, disability and sexual orientation and to ensure that individual's rights under data protection and human rights legislation are protected.

Background Information

2.1 The Corporate Debt Recovery Team has responsibility for recovering overdue debt to the Council across multiple service areas. These service areas are as follows:

- Council Tax
- Business Rates (NNDR)
- Service Charges for leaseholders
- Housing benefit overpayments
- Sundry debts (i.e. Council services)
- Excess Charge Notices

Key Issues for Consideration/Reasons for Decision and Options

3.1 It was recognised that that an updated corporate debt policy (Appendix 1) is required each year in order to document how we manage debt within the Council.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

Option One To agree the recommendation as set out in the report.

Option Two To amend the recommendation.

Implications

Financial:	There are no financial implications.
Legal:	There are no legal implications
Risk Management:	<p>This report has been produced in compliance with the council's Risk Management strategy. There are no risks directly associated with this report as it is for consultation only at this point. The risks to the council of not implementing a consistent approach to managing debt and maximising income are high. The current economic conditions and council savings targets cannot be addressed unless an efficient and effective approach to income collection and recovery is embedded across the organisation. Failure to meet these targets may result in the loss of services, and an increased and unsustainable debt position for some customers.</p> <p>Comments checked by Karen Muir, Corporate System Accountant 01295 221559</p>

Wards Affected

All

Corporate Plan Themes

All

Executive Portfolio

Councillor James Macnamara
Portfolio Holder for Resources and Communication

Document Information

Appendix No	Title
Appendix 1	Corporate Debt Policy
Background Papers	
None	
Report Author	Karen Curtin, Head of Finance Jessica Lacey, Technical Accountant
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CHERWELL DISTRICT COUNCIL

CORPORATE DEBT POLICY

Summary of policy :

This policy details the principles to be adopted by the Council when undertaking the collection of debt from both citizens and businesses.

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1.1 INTRODUCTION

The Policy has been developed to help meet the Council's Corporate Plan priorities, particularly in respect of an accessible, value for money council.

The Corporate Debt Policy will be supported by other key players and agencies including: The Council's Customer Services Team, Banbury & Bicester Citizens Advice Bureau (CAB), and Capita.

The policy will be subject to an annual review.

1.2 THE NECESSITY AND OBJECTIVES OF THE POLICY

The Council's debt recovery policy has the following objectives:

"In order to maximise income for the provision of services, Cherwell District Council's Corporate Debt Recovery Team will collect all debt owing to it promptly, effectively, efficiently and economically, while ensuring fair treatment to all debtors."

1.3 PURPOSE – WHY HAVE A CORPORATE DEBT POLICY?

Cherwell District Council is required to collect monies from both its citizens and businesses for a variety of reasons.

In undertaking this collection function it is inevitable that the Council will be required to pursue the recovery of arrears from persons and or businesses that may experience difficulty in paying such accounts. An agreed policy of how the Council manages and collects debts is key therefore in ensuring consistency and best practice in such situations.

The Corporate Debt Policy identifies where responsibility for collection of different debts lie, and sets out the principals and standards in relation to contact , recovery process, repayments and benefit / money advice.

Integral to the policy is the provision of support mechanisms and practices to all customers. It details the approach to collecting debt in Cherwell and also provides practical help, advice and support in the management of multiple debts.

The policy sets the framework for a consistent and sensitive approach to collecting debt whilst at the same time ensuring that the Council continues to maximise collection performance.

This policy covers all debts owed to the Council

Including:

- Council Tax
- Benefit overpayments
- Business Rates (NNDR)
- Sundry debts, e.g. unpaid fees and charges
- Excess Charge Notices.

1.4 HOW IS IT TO BE USED?

This policy will apply to all Council departments. Some of the citizens of Cherwell may have multiple debts with the Council. The policy does not prejudice any legal action that the Council may wish to take.

It seeks to be "fair but firm" and the full range of collection and recovery methods will be used as appropriate if debts are not paid. The policy works within and takes account of relevant legislation e.g. on Data Protection, Human rights etc.

The Council will apply this policy and provide the same level of service at the initial enquiry stage. However, each service will apply its' own procedures and processes in recovery of the debt.

1.5 POLICY OBJECTIVES – WHAT ARE WE TRYING TO DO?

The aims of this policy are to:

- Ensure a professional, consistent and timely approach to recovery action across all Council functions
- Help minimise debts to the Authority
- Promote a co-ordinated approach to sharing debtor information and managing multiple debts owed to the Council.
- Ensure that individual and exceptional circumstances are given due consideration when pursuing debts
- Ensure that debts are managed in accordance with legislative provisions and best practice
- Treat individuals consistently and fairly, regardless of age, sex, gender, disability and sexual orientation and to ensure that individual's rights under data protection and human rights legislation are protected.

1.6 CONTACT WITH CUSTOMERS

We will strive to improve contact with customers by:

- Encouraging the customer to make early contact with our customer services team in respect of debt related matters
- Using plain English techniques in written letters and documents
- Coordinating publicity and marketing campaigns
- Promoting advice and support services

1.7 WHAT DOES IT COVER?

The policy covers the following:

- How people can access advice and support
- How ability to pay will be assessed
- How information may be shared
- How the Council uses collection and other external agencies
- How we will conduct personal visits to debtors
- How we will deal with irrecoverable debts
- Corporate approach for dealing with customer credits
- The Council's Corporate Complaints Procedure
- What procedures are used
- Arrangements for policy review and impact monitoring

1.8 SCOPE OF THE POLICY

1.8.1 Access, Advice and Support

Where appropriate, documentation will advise customers where to get help and advice about benefits and debt problems. This will normally include information about local Citizens Advice Bureau's and other free debt advice centres. Similarly, where appropriate, information about claiming Housing Benefit and Council Tax Benefit will be included with arrears letters. In this respect, the Council will make every effort to advise people of their right to apply for benefit assistance, including pro-active take up campaign as appropriate. The Council recognises the importance of bringing such matters to the attention of individuals at the earliest opportunity.

The Council will also advise individuals / businesses as to the range of other discounts, reliefs and reductions available at both the time an account is issued and in subsequent communications.

Staff in personal contact with customers (e.g. in the Contact Centre, Link points, visitors and other enquiry staff) will signpost them as to where they can obtain advice on benefits and debt matters appropriate to their needs.

We will ensure that all written communications uses language appropriate to the intended recipient and that plain English is the standard wherever possible. We will explain complex terminology when it is required to be used by law. All documents will be issued in a timely manner, in accordance with statutory deadlines where appropriate and will explain the legal options open to the Council to collect debts in a factual manner, taking into account the stage of recovery achieved.

1.18.2 Assessment of Ability to Pay

The Council, in pursuing debt recovery, will act in accordance with statutory regulations and advice issued by professional bodies, external auditors etc.

In terms of efficiency and effectiveness, experience shows that as a general rule, collection is maximised by pursuing debts on an individual basis in a timely manner. In addition, the existence of different recovery legislation in relation to Council Tax, Housing Benefits, Sundry Income etc, tends to support this approach.

Where it is apparent that a customer is unable to pay an account, or a number of like accounts as requested, then the aim will be, to agree an arrangement to pay (where appropriate), which takes into consideration the specific circumstances of the customer.

Ability to pay will be based on the disposable income in proportion to the level of debt, the extent of debts owing to the Council. The initial intention of arrangements to pay will be to clear the debt(s) as soon as possible and as a rule of thumb, the minimum position as far as the Council is concerned, should be that an individuals indebtedness to the Council does not worsen.

In practice this may mean ensuring that the current or most recent account is cleared, while making the maximum contribution to clearing other debts.

Staff will always seek to make realistic arrangements to clear outstanding amounts by regular payments, in preference to taking legal action for recovery.

A financial statement may be required to support a request for an arrangement. This will be a list of the customers' household income and expenditure. Documents to support the information contained in the financial statement may be requested and required before an arrangement can be agreed.

A financial statement can be completed with the help of an independent agency such as the Citizens Advice Bureau.

Persons in multiple arrears will be offered the opportunity to discuss the debt with a member of the Corporate Debt Recovery Team.

2.0 INFORMATION

2.1 PROVISION OF:

In addition to detailing the amount payable and a description of the charge, the Council will include the following information on all accounts:-

- (a) The payment options available.
- (b) A contact number for queries in relation to the accuracy of the account.
- (c) A contact number for discussing payment arrangements where the customer has difficulty in paying the amount requested on the account.

Wherever possible the contact number in (b) and (c) will be the same.

Where it is necessary to issue recovery documentation (e.g. a reminder or summons) following non-payment of an initial account, or because an instalment arrangement has not been adhered to, then the Council will include the information detailed above on such documents.

The Council will wherever possible provide information to meet specific communication needs in the following formats: -

- (a) Braille
- (b) Large Print
- (c) Audio Tape
- (d) Community Languages
- (e) Electronic format

In meeting individual needs the Council will, where practical, ensure that individual preferences are documented so that ongoing and future correspondence can be delivered in the preferred format.

The Council will ensure that wherever possible arrangements are in place to offer an interpretation service from our Link Points and over the telephone to assist persons whose first language is not English.

Correspondence with customers will refer to and deal with all / or similar accounts outstanding wherever possible.

2.3 SHARING OF:

The Council will ensure that all computer systems used to bill and recover monies, satisfy statutory requirements and offer the full range of recovery options to be pursued.

Staff involved in the collection and recovery of accounts will be given appropriate training in the use of the various computer systems as required.

Subject to any limitations imposed by the data protection act and human rights legislation, access to debtors' information contained on different systems will be made available, in order that an individuals full indebtedness can be established and properly dealt with.

In order to be successful and ensure consistency, it is necessary to establish good working practices across Council Departments, statutory and voluntary agencies, and all service providers when dealing with multiple debts.

Partner organisations should have in place policies and procedures, to ensure compliance with data protection principals, appropriate customer service standards and investigating customer complaints.

2.4 USE OF OTHER AGENCIES

Cherwell district Council, on successfully taking court action against a debtor, is empowered to enforce payment through a number of statutory remedies, including powers which impact on a person's possessions or liberty e.g. the right to seize goods, to request imprisonment etc and will apply the most appropriate remedy.

One of the remedies is Levy of Distress, which Cherwell District Council exercises through the use of an external Enforcement Agency.

To ensure effective, consistent and appropriate application of Distress, Cherwell District Council's appointment of Enforcement services is through contractual agreement, including a detailed Code of Conduct which the enforcement officers must follow.

The Council will ensure that these more 'severe' powers for example removal of goods, will only be used when all other reasonable methods have failed and where all appropriate internal and statutory processes have been properly followed.

2.5 EXCESS CHARGE NOTICES (ECN)

The Corporate Debt Recovery Team will be responsible for the recovery of unpaid ECN's once cases are passed from Parking Services and will take legal action if required. Cases will be sent in the first instance to Collection agents working on behalf of Cherwell District Council. Should this prove to be unsuccessful cases will be evaluated and court action will be considered.

2.6 VISITING CUSTOMERS

The Recovery Team Leader or Senior Recovery Officer may undertake visits to persons / businesses in arrears in order to resolve accounts outstanding.

All staff or third parties making such visits will act in accordance with the relevant policies.

The Council will make every effort where possible to co-ordinate visits to debtors so that where appropriate, different debts owed by the same individual / business can be addressed at the same time.

3.0 WRITE OFF POLICY

3.1 WHEN WRITE OFF MAY BE APPROPRIATE

It will be necessary to write off irrecoverable debts in a variety of circumstances and these can be broadly summarised below. Although the amount of the debt would normally dictate the amount of time and resource allocated in trying to collect the various debts, in the circumstances shown below the debt may be written off irrespective of the amounts involved. Each heading is detailed below explaining actions that will be taken by the Council.

3.2 REASONS FOR WRITING OFF A DEBT:

- The debt is not cost effective to pursue taking into consideration the recovery effort already undertaken. The Council will consider writing off a debt where it would cost more to recover the debt than the value of the debt itself. In the instance of Housing Benefit overpayment the Council will maintain a record of the debt and, should the debtor reclaim benefit, consider instigating recovery procedures.
- The debt is time barred under the Limitation Act.
- The debtor can not be traced – where internal and external tracing procedures have been exhausted.
- The debtor is deceased and confirmation has been received that no money is recoverable from the estate.
- The court has requested that the debt be remitted.

- The debtor's age health or other social factors make it inappropriate to pursue the debt.

Criteria to take into account when considering writing off of a debt.

Each case must be treated on its merits. Further guidance is given below on the treatment of these categories. It should be remembered that debt could be resurrected if for example, an absconder should reappear after the debt has been written off.

Small value, non-recurring debts below £50, after all appropriate recovery action has been attempted.

Debt below £500 for Council Tax & £1000 for NNDR and over 4 years old and no contact has been made with the debtor during this time.

Debts which are uneconomical to collect or where it is considered inappropriate to continue with legal or recovery action due to individuals known personal or financial circumstances. E.g. elderly or mentally impaired and suffering from hardship with non-attachable benefits.

Debts where a company has ceased to trade leaving no assets.

Debts that cannot be legally enforced e.g. statute barred.

Local Authority errors and exercising discretion not to recover a recoverable overpayment.

The Council will consider writing off debts based on the customer's personal, medical or financial circumstances. These would normally have to be considered exceptional or severe before a write off will be agreed.

These criteria can apply, regardless of how the debt arose, although the category may contribute to a decision on whether or not to write off a debt. (E.g. it may not be appropriate to write off a debt, which has arisen due to fraud even if other criteria have been met.)

The customer is under severe emotional distress (e.g. bereavement) and likely to remain so for the foreseeable future. It might be appropriate to consider deferring recovery in some circumstances. Write off may also be considered for Housing Benefit overpayment if the customer was under severe emotional distress at the time that she/he failed to disclose information.

The customer suffers severe ill health. This is also likely to lead to emotional distress and financial hardship.

The customer is declared bankrupt (although recovery from ongoing Housing Benefit can still proceed regardless of bankruptcy). If it is the Council who is making the customer bankrupt, then the Overpayment will be included in the proceedings.

The customer has died. If we are aware of the existence of an estate or we know of capital that would cover the debt, then recovery should be sought. We do not expect a partner or relative to repay out of their own funds. Considerable sensitivity is needed in these cases.

These examples are not exhaustive and are guides rather than rules. It may be appropriate to recover from a customer who suffers from ill health, but, for example, has considerable capital.

3.3 CUSTOMER REQUESTED WRITE OFF (SUBJECT TO MEETING ONE OF THE ABOVE CRITERIA)

Requests for write off must normally be in writing and signed by the customer or their authorised representative and are retained in DIP. In exceptional circumstances a formal written submission from the customer may not be required but there must be a written record in the Document Imaging system containing the necessary details. For example a member of staff may receive a telephone call and due to the exceptional personal circumstances of the customer it may be decided not to insist on written confirmation.

3.4 WRITE OFF RECORDING AND PROCESSING

Debts over £2,500 (C/Tax) £5,000 (NNDR) considered for Write off should be recorded and presented in a report.

Reports will be prepared by the Corporate Recovery Team and presented in the first instance to the Recovery Team Leader for checking.

The report will detail:

- The name and last known address of the debtor.
- The reference number if applicable.
- The date the debt was raised.
- The initial debt figure.
- The balance outstanding.
- The reason for requesting write off and recovery action to date– based on the categories in this policy.

3.5 WRITE OFF LIMITS

3.5.1 Revenues

Post Holder	Limit for write-offs	
	Council Tax	Business Rates
Portfolio Holder	Exceeding £10,000	Exceeding £10,000
Head of Finance	Up to £10,000	Up to £10,000
Service Assurance Technical Specialist –Local Taxation & NNDR	Up to £2,500	Up to £5,000
Service Assurance Officer	Up to £500	Up to £500

3.5.2 Housing and Council Tax Benefits

Post Holder	Limit for write-offs
Portfolio Holder	Exceeding £10,000
Head of Finance	Up to £10,000
Service Assurance Technical Specialist – Benefits	Up to £2,500
Service Assurance Officer	Up to £500

3.5.3 Sundry Debts

The debt will be referred back to the departments as a recommendation for write off. Once the recommendation is accepted in accordance with each departments own limits the debt will be written off in accordance with the following limits.

Post Holder	Limit for write-offs
Portfolio Holder	Exceeding £5,000
Head of Finance	Up to £5,000
Technical Accountant	Up to £1,000
Recovery Team Leader	Up to £500

3.5.4 Excess Charge Notices

The debt will be referred back to the Vehicle Parks & Town Team Leader as a recommendation for write off. Once the Recommendation is accepted in accordance with the departments own limits, the debt will be written off in accordance with the limits below.

Post Holder	Limit for write-offs
Portfolio Holder	Exceeding £5,000
Head of Finance	Up to £5,000
Technical Account	Up to £500
Recovery Team Leader	Up to £250
Senior Recovery Officer	Up to £100

No debt should be written off unless the authorising officer is satisfied that all the steps detailed in the write-off policy and guidance documents have been taken to trace the debtor and/or obtain payment.

The Head of Finance has delegated authority to write off bankruptcies and insolvencies and has authorised the Client Team Manager, The Service Assurance Technical Specialists and the Corporate Recovery Team Leader to perform these duties on their behalf.

4.0 CREDITS

Cherwell District Council will develop a corporate approach to refunding credits, in that where ever possible; checks will be made for other outstanding debts to the customer, prior to a refund being made.

Where other debts are identified, it may be necessary to obtain the customer's permission, prior to a credit transfer.

5.0 COMPLAINTS

The Council will endeavour to resolve problems in relation to debt collection at an early stage, in an informal manner.

Where this is not possible, debtors will be advised of the Corporate Complaints Procedure, should they wish to take the matter further.

To access the Corporate Complaints Procedure please visit the following web page:
[Cherwell District Council - Compliments & complaints](#)

6.0 WHAT PROCEDURES WILL BE USED

Cherwell District Council will develop a consistent “first contact” procedure in respect of information given to customers making a debt enquiry. All customers will be informed of the options available to manage their debt(s) and of the relevant service providers who may be able to offer assistance.

Cherwell District Council has established comprehensive procedures documents for the pursuance of debt.

7.0 POLICY REVIEW AND MONITORING

The Corporate Debt Policy and its effectiveness will be monitored. This will be carried out by the Corporate Debt Recovery Team, which will meet regularly to discuss any problems and issues that have resulted from the policy.

The Corporate Debt Policy will be reviewed annually. This will enable it to be updated where necessary and take account of changes in legislation.

New approaches and ways of working will inevitably be introduced and the Corporate Debt Policy will need to be adapted to take these into account.

8.0 THE POLICY IN OPERATION

8.1 We will take practical steps to:

- Raise awareness of debt with customers
- Identify how much / how it has occurred
- Raise awareness of the implications of non-payment

8.2 For those who can pay:

- We will provide information on how to pay by advising on methods, payment frequencies and at which locations people can pay
- The Council will encourage automated payment methods wherever possible, this being the most cost efficient option
- The Council will make arrangements for the payment of accounts outside of traditional office hours and through internet technology, 24 hours a day, 7 days a week
- Wherever practical the Council will request payments in advance so as to maximise cash flow and to minimise the necessity to issue accounts requiring collection, which in turn will minimise the opportunities for debt to arise
- The Council will make available the use of electronic forms.

8.3 For those who can't pay

- We will advise what happens if debts are not paid
- We will inform who can give help / advice
- We will encourage people to get help from a range of sources
- We will make referrals to appropriate agencies

8.4 Our approach will be

- A supportive approach to debt recovery with a pro-active referral process where possible. We will deliver a service which meets the needs of each individual and sign post to other support agencies including the CAB.
- Whilst the Council will ensure that arrears are pursued in a timely manner, it does recognise that certain individuals will require more sympathetic and sensitive treatment e.g. in the case of recent bereavement, major illness or where the customer requires special assistance in handling their financial affairs.

9.0 WHAT SERVICES WILL CUSTOMERS RECEIVE?

In determining how customers can best be supported and encouraged to address debt issues, it is important that service provision at the first point of contact is delivered in a sensitive way.

Once a customer has made contact it is imperative that he / she is referred on to the most appropriate source of debt management support.

On initial contact with Cherwell District Council, customers will be informed of the options available to manage their debt(s) and of the relevant service provider. Where appropriate, customers will be informed of debt advice and support services available to them outside the Council.

Customers presenting with a single debt will be able to make a payment or where the debt cannot be cleared, a realistic agreement to pay via the first point of contact.

9.1 WHAT SERVICE WILL CUSTOMERS WITH MULTIPLE DEBTS RECEIVE?

Customers presenting with multiple debts need to believe that there is a solution to their debt problems and should be actively encouraged to share with staff, information on all monies owed, in order for the most appropriate referral to be made.

The Policy does not promote a “one size fits all” approach, but rather looks to work with the customer to take agreed steps to help address multiple debts.

To this end, the response to debt recovery will vary as different solutions will be needed to address the far ranging complexity of cases etc.

The provision of individual responses will also take into account diversity and exclusion issues. Support will be offered including access to interpreters for customers whose first language is not English, ensuring staff attending appointments are able to address the individual customer’s needs. Where requested the provision of supporting information for customers will be made available in an appropriate format, e.g. large print, Braille or audio.

Where practicable, we will also require our partners to ensure the same level of service is provided and encourage other agencies to mirror our approach to diversity and inclusion issues.

10.0 RELATIONSHIPS WITH THIRD PARTIES

10.1 Enforcement Agents

Cherwell District Council’s Corporate Debt Recovery Team uses Bristow & Sutor, an external enforcement company to act on Liability Orders that have been obtained at the Magistrates Court against non-payers. The enforcement agents are instructed to act against debtors who have not made a satisfactory arrangement for payment, or who have not provided financial details to enable an attachment of earnings or a deduction from benefit to be set up. They are also used as collection agents for the collection of Sundry debts, Housing Benefit Overpayments and Excess parking notices.

Enforcement agents, where instructed will be required to work at all times within agreed guidelines and Code of Practice; the efficiency and effectiveness of them will be monitored and appropriate action taken if required.

You can find out more about Bristow & Sutor at www.bristowsutor.co.uk

10.2 CAPITA

Cherwell District Council uses Capita to deal with the Revenues & Benefits functions.

The Corporate Debt Recovery Team will liaise with The Service Assurance Team to ensure that any errors are recorded and are reported back to Capita in a timely manner. Regular meetings between representatives from Capita, The Service Assurance Team, Customer Services and the Corporate Debt Recovery Team will be held to ensure that all parties can discuss and resolve any outstanding issues.

A Service level agreement is in place between Capita and The corporate Debt Recovery Team. This agreement is signed by both parties and is subject to an annual review.

The Corporate Debt Recovery Team will provide:

- Direct contact points
- Training and briefing sessions when requested
- Produce training material and procedure notes when requested

10.3 Citizens Advice Bureau

The Corporate Debt Recovery Team has strong links with the Banbury & Bicester CAB. They work closely together to ensure the best possible advice and help is offered to the residents of Cherwell.

The Corporate Debt Recovery Team will provide:

- Direct contact points
- Training and briefing sessions when requested
- Produce training material when requested

You can find out more about the CAB at www.citizensadvice.org.uk

10.4 Customer Services Team

The Corporate Debt Recovery Team will work closely with the Council's customer services team to ensure the best possible service to the residents and businesses of Cherwell.

The Corporate Debt Recovery Team will provide:

- Direct contact points
- Training and briefing sessions when requested
- Produce training material and procedure notes when requested

11.0 PRIORITY DEBT

There are many types of debt, but those considered as "priority" debts are those debts owed to creditors who can take the strongest legal action against an individual who does not pay.

It isn't the size of a debt that makes it priority but what creditors can do to recover their money.

Individuals are often but not always aware of the consequences of failure to pay and frequently pay to whoever shouts the loudest.

The procedures supporting this policy would ensure customer awareness of what priority debts are.

11.1 THE POLICY IDENTIFIED THE FOLLOWING AS EQUAL PRIORITY DEBTS:

- Rent arrears – as it can result in eviction.
- Mortgage arrears – as they can result in repossession.
- Council Tax – as it can result in bailiff action, attachment of earnings / benefits, bankruptcy.
- Imprisonment or loss of home.
- Other secured loans – as they can result in loss of home.

11.2 OTHER PRIORITY DEBTS

- Income Tax and VAT – as they can result in bankruptcy or imprisonment
- County Court Judgements - can result in bailiff action, Attachment of Earnings or bankruptcy
- Fines or Compensation / Costs Orders – as they can result in imprisonment
- Maintenance / child support – as it can result in repossession of goods or even imprisonment
- Hire purchase – will be considered essential if, for example it is for the purchase of a car needed to get the owner to work.
- Water Rates – as it can result in bailiff action
- Business Rates – as it can result in bailiff action, bankruptcy or imprisonment
- Benefit overpayments – as it can result in deductions from on-going rent / benefits
- Maintenance or child support – as it can result in bailiff action or imprisonment
- Penalty Charge Notices (parking contraventions) - can result in bailiff actions

The following are considered non priority debts: Credit / store cards, unsecured personal loans, bank overdrafts, credit / interest free / hire purchase agreements, catalogue debts and money borrowed from family and friends.

12.0 BAD DEBT PROVISION

The Head of Finance in conjunction with Service Accountants must ensure there is adequate provision for bad debts, in accordance with CIPFA's Code of Practice on Local Authority Accounting in United Kingdom – A Statement of Recommended Practice.

The Corporate Debt Recovery Team will ensure that, where there is little or no likelihood of receiving payment, the invoice is flagged as a potential bad debt. If income is received, the Team will 'un-park' the invoice and revert to original status.

13.0 PERFORMANCE MONITORING AND REPORTING OF DEBT

Targets for the collection of Council tax, Business rates, Housing benefit overpayment and sundry debt collection are set at the start of each financial year.

Each month a comprehensive summary report of the Council's debt position and performance will be issued to the Head of Finance and relevant members.

14.0 GLOSSARY

Safe working practice note No 50, personal safety at work policy - This covers working alone / outside visits.

The Council's Constitution - Heads of service have delegated powers for writing off of bad debt up to £5,000 and arrears for council tax and business rates up to £10,000. Any write off above that limit must be an individual portfolio holder decision.

NNDR - National Non Domestic Rates – Business Rates

DIP - Document Imaging system – The system that is used by Cherwell District Council to store all documents and can be accessed by authorised users.

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Executive

Corporate Procurement Strategy and Action Plan 2011/12

4 April 2011

Report of Head of Finance

PURPOSE OF REPORT

This report brings forward for Executive consideration, the refreshed procurement strategy and action plan for 2011/12 for the Council. The primary objective of the procurement strategy is to procure services that are affordable, fit for the purpose, meet the needs of local people and service users and provide value for money.

This report is public

Recommendations

The Executive is recommended:

- (1) To consider and approve the Corporate Procurement Strategy and Action Plan for 2011/12 which is attached at Appendix 1.

Executive Summary

Purpose and objectives of the procurement strategy

- 1.1 Cherwell District Council adopted its first formal Procurement Action Plan in 2007/08 and has refreshed it annually to cover the period to March 2011. The Council has exploited the benefits of contemporary procurement practice by investing in the formation of a Corporate Procurement Team in 2008 that operates under an innovative “invest to save” initiative, with annual targets ensuring the operation is both “self funding” and providing additional returns.
- 1.2 Procurement has a very strong link with finance, contract management, compliance and efficiencies and so the Council positioned the Corporate Procurement Team within finance under the direction of the Head of Finance.
- 1.3 The approach has secured cashable savings of £0.9m against a target of £625,000 from April 2008 to March 2011 with £306,000 achieved in 2010/11 against a target of £225,000. Further non-cashable savings of more than £160,000 and capital savings of some £720,000 have been achieved over the same period. The cumulative total for contracts let for more than a year from April 2008 to March 2011 is £1.5m. The approach to procurement outlined within the attached strategy with the further development of long-term

planning and collaboration allow the team to continue to be self funded and guarantee year on year savings with the target for 2011/12 cashable savings being set at £150,000.

- 1.4 It is vital that the Council continues to use effective procurement as a major opportunity to alleviate budget pressures. Research published by the NAO in its May 2010 Collaborative Procurement report outlined how only 10% of public sector spend is collaboratively procured and this is why the Council has moved beyond forging links within Oxfordshire and Buckinghamshire via the Strategic Procurement Partnership for Oxfordshire and the Milton Keynes, Oxfordshire and Buckinghamshire Procurement Partnership into Northamptonshire and Cambridgeshire via links with the former Northamptonshire Areas Procurement Service.
- 1.5 The purpose and objective of the procurement strategy is to communicate clearly to stakeholders, operational managers, procurement specialists and suppliers in the private and voluntary sectors, the council's vision for the procurement services, supplies and works so that each may play a meaningful role improving the procurement practices in the council.
- 1.6 The strategy sets out the key principles underpinning our approach to procurement. The primary objective of our Procurement Strategy is to procure services that are affordable, fit for the purpose, meet the needs of local people and service users and provide value for money.
- 1.7 The strategy sets out the framework for all our procurement activity. It confirms the objectives that we should be aiming to achieve, the policies to be considered and followed and the mechanisms by which we will put in place the Council's vision.

Cherwell's priorities

- 1.8 The Council recognises that procurement is a critical mechanism for delivering value for money and achieving sustainable outcomes for its local communities. This strategy aims to ensure a coordinated approach is adopted across the Council that reflects our aims and objectives.
- 1.9 As such, the strategy reflects the Council's priorities identified in its corporate plan and sustainable community strategy. This strategy and action plan provides a procurement road map for tackling the challenges of achieving value for money and excellent services for the residents of Cherwell District Council over the next year. It will be a key driver for the delivery of the Council's Corporate Improvement Plan.
- 1.10 This strategy for the coming year sets out how the Council will 'achieve a balance between potentially, but not necessarily competing objectives' (Creating Strong, Safe and Prosperous Communities, CLG) by:
 - Releasing significant savings from the joint senior management structure and closer collaboration with South Northamptonshire Council;
 - Delivering additional cost reduction by the deeper embedding of a strategic procurement culture across the Council;
 - Developing planning and performance management principles;
 - Building sustainable methodologies based on the whole-life costs;

- Extending collaboration from Oxfordshire and Buckinghamshire into Northamptonshire and Cambridgeshire to improve procurement buying power;
- Expanding a mixed economy of service provision that engages with the private, public and voluntary sector organisations to facilitate the Big Society initiative.

1.11 Achievement of the above objectives will achieve value for money, provide innovative solutions and demonstrate the Council's commitment to shaping the local community and supporting wider social, economic and environmental objectives.

Conclusion

1.12 The refreshed procurement strategy has a fundamental role in helping the Council reduce its services budget from £18.5 to £15.9 million in 2011/12.

1.13 The full procurement strategy is set out as an Appendix. It also contains:

- The Action Plan outlining key objectives for 2011/12;
- Our sustainable procurement strategy which sets out a series of key areas for development, required action and responsibilities;
- The procurement performance indicators which are the key measures the council will collect and benchmark against other similar authorities.

Consultations

Various consultations with internal and external stakeholders. A review of best practice examples from other high performing authorities.

Implications

Financial:	Financial Effects: There are no adverse financial effects on the Council by implementing the procurement strategy. Comments checked by Karen Muir, Corporate Accountant, 01295 221559.
Legal:	Legal work very closely with procurement to ensure that our processes are compliant and not open to challenge. Comments checked by Liz Howlett, Head of Legal and Democratic Services/Monitoring Officer 01295 221686
Risk Management:	If the Council fails to continue to support the implementation of the programme of activities in respect of procurement, there is a risk efficiency savings will not be achieved. A number of the actions relate to developing good practice for the commissioning of goods and services, by implementing sophisticated procurement practices as well as using market intelligence the Council will be able to fully demonstrate it has strategies in place

to consistently secure value for money.

Comments checked by Karen Muir, Corporate Accountant, 01295 221559.

Wards Affected

All

Corporate Plan Themes

An Accessible, Value for Money Council

Executive Portfolio

Councillor James Macnamara
Portfolio Holder for Resources and Communications

Document Information

Appendix No	Title
Appendix 1	Draft Corporate Procurement Strategy and Action Plan 2011/12
Background Papers	
None	
Report Author	Karen Curtin, Head of Finance Viv Hichens, Corporate Strategic Procurement Manager
Contact Information	01295 221551 Karen.Curtin@cherwell-dc.gov.uk 01295 753747 Viv.Hichens@cherwell-dc.gov.uk



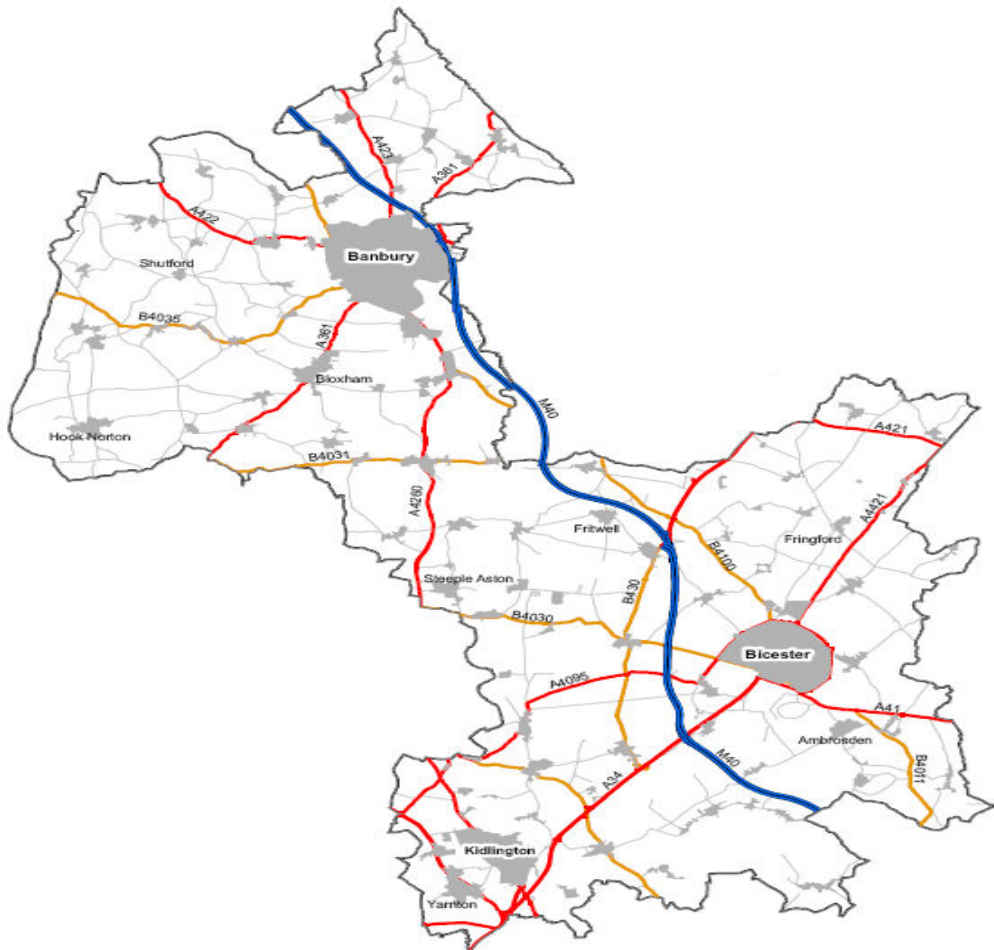
**Corporate Procurement
Strategy and Action Plan
2011/12**

About Cherwell District Council

Cherwell is a rural district in north Oxfordshire, situated around the M40 motorway and the river Cherwell. Much of the area is farmland and 14 per cent lies within the Oxford Green Belt. The three main towns of Banbury, Bicester and Kidlington are home to about two-thirds of the 138,200 population with the rest of the district comprising of small villages.

Despite relatively high numbers of young people living in the area, the proportion of older people is growing faster than average and a 6.9% increase is expected by 2029. The ethnicity of the area is mostly white, with numbers of black and minority ethnic people below regional and national averages. With over 56,000 households, Cherwell has a higher than average home ownership and an average sized private rented market.

People's health is generally better than average but there are cases of inequality. For example, men living in the most deprived areas can expect to live 5 years less than those in the least deprived. Unemployment is relatively low but residents tend to have lower weekly wages than the rest of the South East.



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Foreword

Why have a Procurement Strategy?

“Local government will have to cover a funding shortfall of around £6.5bn in the next financial year, with some councils facing more than 16 per cent reductions in the amount of money they receive from the Government. It is the toughest settlement in living memory.”

Richard Kemp, Vice Chairman of the Local Government Association

Lord Filkin CBE, Chair, Public Services Trust 2020, speaking at the Procurement 2011 conference in Westminster in February stated that top of the ten steps to local authorities achieving an average of 25% budget savings over the next four years was the development of a procurement strategy that might achieve 15% plus of these savings.

Cherwell District Council recognises that procurement is a critical mechanism for delivering value for money and achieving sustainable outcomes for its local communities. It has a fundamental role in helping the Council reduce its services budget from £18.5 to £15.9 million in 2011/12. This strategy aims to provide a clear framework for procurement to ensure a coordinated approach is adopted across the Council that reflects our aims and objectives. In the three years that the Council has had a dedicated Corporate Procurement Team it has delivered cashable savings of £0.9m against a target of £625,000. The cumulative cashable savings total for contracts let for more than a year over the three years is £1.5m. The target for 2011/12 is £150,000.

This strategy for the coming year sets out how the Council will ‘achieve a balance between potentially, but not necessarily competing objectives’ (Creating Strong, Safe and Prosperous Communities, CLG) by:

- Releasing significant savings from the joint senior management structure and closer collaboration with South Northamptonshire Council;
- Delivering additional cost reduction by the deeper embedding of a strategic procurement culture across the Council;
- Developing planning and performance management principles;
- Building sustainable methodologies based on the whole-life costs;
- Extending collaboration from Oxfordshire and Buckinghamshire into Northamptonshire and Cambridgeshire to improve procurement buying power;
- Expanding a mixed economy of service provision that engages with the private, public and voluntary sector organisations to facilitate the Big Society initiative.

Achievement of the above objectives will achieve value for money, provide innovative solutions and demonstrate the Council’s commitment to shaping the local community and supporting wider social, economic and environmental objectives.

Further development of procurement best practice will assist the Council in achieving its ambition of providing more for less and enabling savings to be redirected into front line services.

Councillor James Macnamara
Portfolio Holder for Resources and Communication
Procurement Champion

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1. Clear vision of expected outcomes

“The future for public procurement should be clear:

It should be a major driver in restoring public finances.

It should be on the top table.

It should be professionally managed.

It should provide full transparency of best value.

It should be networked right across the public sector.

It should provide true aggregation and volume commitment.

It should have massively reduced duplication in non-strategic spend.

It should be as much about bottom up as top down.”

Nigel Smith, Chief Executive, Office of Government Commerce

- 1.1 The Council is budgeted to reduce its services budget from £18.5m to £15.8m in 2011/12 and it is of fundamental importance to have a clear vision of expected outcomes from its procurement activities by the implementation of a corporate, objectives-based procurement strategy.
- 1.2 National initiatives and guidance on developing procurement have been provided in many forms and the Council needs to be able to respond positively. In forming our strategy the Council has given consideration to a number of reports and guidance including:
 - The Efficiency and Reform Group
 - The Spending Review 2010
 - Procuring the Future – The Sustainable Procurement Task Force National Action Plan
 - National Improvement and Efficiency Strategy
 - Roots Review
 - Glover Review
 - Varney Report
- 1.3 Cherwell District Council adopted its first formal Procurement Action Plan in 2007/08 and has refreshed it annually to cover the period to March 2011. The Council has exploited the benefits of contemporary procurement practice by investing in the formation of a Corporate Procurement Team in 2008 that operates under an innovative “invest to save” initiative, with annual targets ensuring the operation is both “self funding” and providing additional returns.
- 1.4 The approach has secured cashable savings of £0.9m from April 2008 to March 2011 with £306,000 achieved in year against a target of £225,000. The cumulative cashable savings total for contracts let for more than a year over this period is £1.5m. Further non-cashable savings of more than £160,000 and capital savings of some £720,000 have been achieved over the same period. The approach to procurement outlined within this strategy with the further development of long-term planning and collaboration allow the team to continue to be self funded and guarantee year on year savings with the target for 2011/12 cashable savings being set at £150,000.
- 1.5 Procurement’s very strong link with finance, contract management, compliance and efficiencies means that the Corporate Procurement Team is well placed within finance under the direction of the Head of Finance.
- 1.6 It is vital that the Council continues to use effective procurement as a major opportunity to alleviate budget pressures. Research published by the NAO in its May 2010

Collaborative Procurement report outlined how only 10% of public sector spend is collaboratively procured and this is why the Council has moved beyond forging links within Oxfordshire and Buckinghamshire via the Strategic Procurement Partnership for Oxfordshire and the Milton Keynes, Oxfordshire and Buckinghamshire Procurement Partnership into Northamptonshire and Cambridgeshire via links with the former Northamptonshire Areas Procurement Service.

- 1.7** The Council's commissioning is shaped by a clear vision of improved services based upon sustainable principles with consideration given to full life-cycle costs. Effective planning and options appraisal has provided procurement with sound contract management principles that have directly supported improved service provision. The Council is building on its partnerships to deliver sustainable local outcomes and efficiencies and engage with small and medium-sized enterprises (SMEs).
- 1.8** Many benefits of improving the way goods and services are procured have been achieved by the Council, including considerable cost savings, nominations for awards and best practice and the use of electronic payment cards. The procurement strategy for 2011 – 2012 will build on the approach being taken to procurement of goods, services and works and detail the associated actions being taken in support of the Council's Corporate Plan and Medium Term Financial Plan.
- 1.9** This strategy aims to further develop a mixed economy of service delivery and further the Big Society initiative by working with public, private and voluntary sector organisations to develop co-operative procurement arrangements and develop supplier effectiveness. To date the Council has delivered a GP led Health Centre with associated clinical services in partnership with the PCT with the Council procuring the refurbishment of its former offices, funding, project managing and providing onward going facilities management services via a range of agreements. This has led to reduced Council overheads, a reduced Council tax burden to local residents and increased access to healthcare services for local residents as part of our Safe and Health strategic priority.
- 1.10** This strategy and action plan provides a procurement road map for tackling the challenges of achieving value for money and excellent services for the residents of Cherwell District Council over the next year. It will be a key driver for the delivery of the Council's Corporate Improvement Plan.
- 1.11** The vision for procurement at Cherwell District Council is that by embedding high quality procurement and contract management processes throughout the Council will:
 - Deliver significant cost and efficiency savings
 - Improve options appraisal and planning methodology
 - Base our procurement decisions on whole-life costs that achieve clearly evidenced sustainable outcomes
 - Enhance collaboration with a wide range of partners to improve procurement outcomes in terms of quality and exploiting economies of scale
 - Promote a mixed economy of service provision that engages with the private, public and voluntary sector organisations
 - Be recognised as a leader in the procurement field within local government.

How to use this strategy:

Section 1-7 of the strategy document is for use by all officers and members to understand the overall approach being taken in procuring goods and services at Cherwell District Council. It details the actions being undertaken to continue improvements in how the authority purchases goods and services over the lifetime of the strategy.

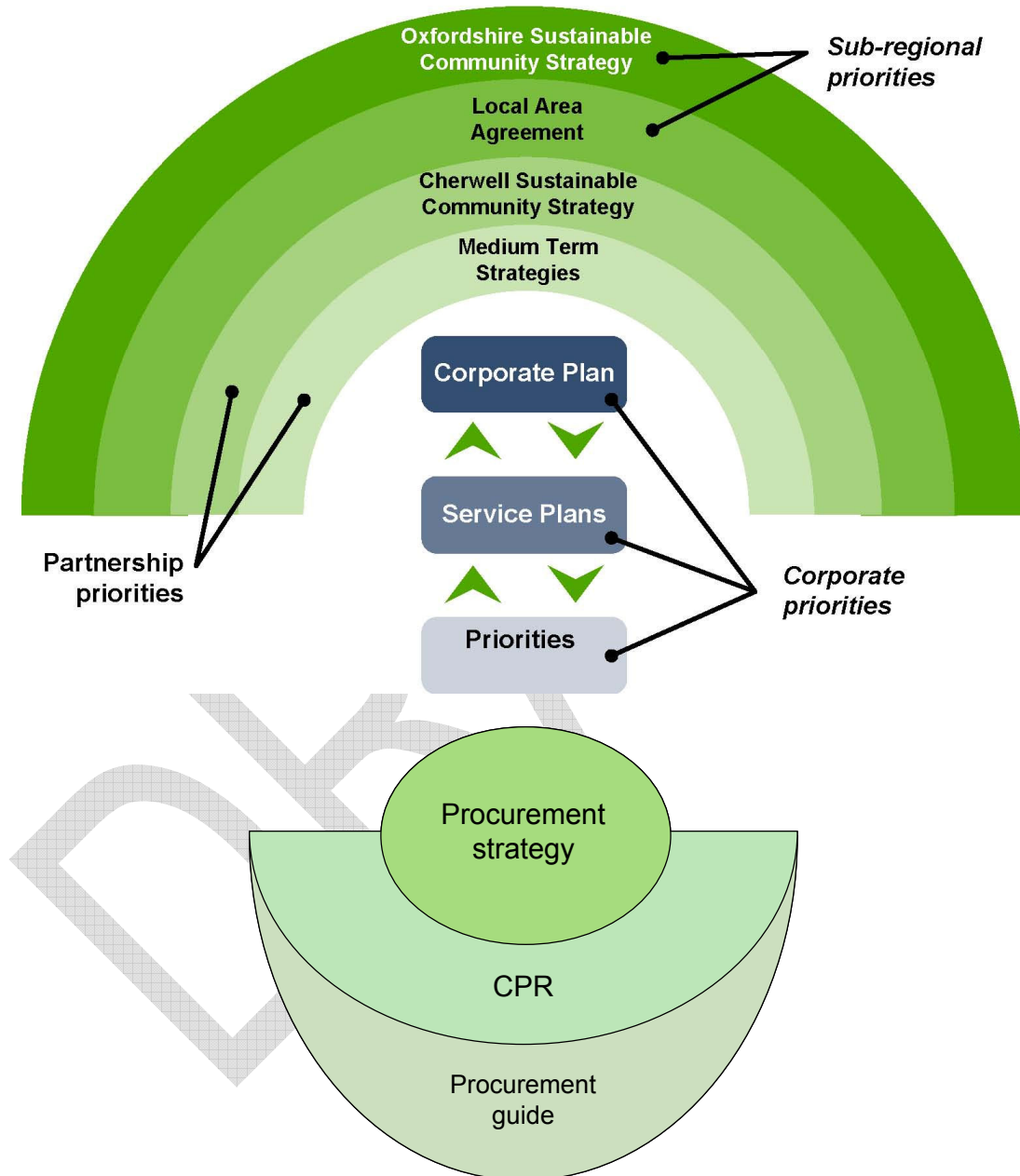
Section 8 refers to the tools available to officers including the procurement guide and to the principles behind the strategy and procurement practices. It assists officers to understand the rationale behind the framework that the authority operates for procurement of goods, services and works.

DRAFT

2. Strategic procurement

“The public sector spends £220 billion a year on goods and services. Given the potential to make significant savings, it is vital that there is much better coordination of procurement activities to ensure value for money is secured across the public sector.”

Amyas Morse, head of the National Audit Office, 21 May 2010



2.1 Linking procurement to the council's corporate plan

2.1.1 The Council's approach to procurement should reflect sub-regional and local priorities as identified by the Oxfordshire Sustainable Community Strategy and the Cherwell Sustainable Community Strategy, which are in turn delivered via the Corporate Plan. The diagram above outlines how the procurement strategy links into the Council's objectives and how the strategy itself promotes the effective

governance laid out in the Council's Contract Procedure Rules and the best practice provided for in the procurement guide.

2.2 Why a corporate procurement resource?

- 2.2.1 The key role of the Corporate Procurement Team is to work in co-operation with departments to ensure value for money (right time, place, quantity, quality and price) procurement practice – from options appraisal right through to the completion of the contract life cycle – is being exercised by departments and support them as necessary to promote best practice in line with the Corporate Procurement Procedure Rules. Essential to the success of this objective is the rigorous monitoring of an audit and compliance plan to enable contracts to be established for relevant aspects of the business and recorded on the corporate contracts register.
- 2.2.2 The scope of the Corporate Procurement Team within the Council has been clearly defined as the guardian of the Council's standing orders, the provider of tender and contract management assistance and advice and the manager of the corporate contracts register, ensuring that professional procurement processes are followed and recognised and a consistent approach applied to all projects.
- 2.2.3 The Corporate Procurement Team provides leadership and has already developed a good track record of managing successful procurement projects across the Council. As part of our service and financial planning we received positive feedback about our procurement service.
- 2.2.4 To date the team has provided savings and a robust contract management process that requires further embedding across all service areas.
- 2.2.5 The procurement network needs to be further developed to turn service managers responsible for procurement into procurement champions. A procurement guide is available to all managers and this will be supported by a training programme.

2.3 Embedding value for money

- 2.3.1 The Council's drive for value for money should be linked to the Government's efficiency agenda and the Council's Medium Term Financial Strategy. These initiatives call for on-going cashable savings to be achieved in part through better procurement leading to overall cost reductions. The Council should continue to analyse its expenditure and target opportunities to save money, rationalise the supplier base, increase competition, enter joint contracts with other public bodies and contract more effectively.
- 2.3.2 The development of procurement as an effective tool to obtain value for money should be based on the assessment of whole life costs. Consideration of a balance of both quality and price is necessary and all analysis and evaluations should be conducted including, predetermined price/quality ratios. The introduction of procurement forward plans for the Council's annual procurement activities and the undertaking of comprehensive options appraisals lead to more effective planning with better implemented and managed contracts.
- 2.3.3 To determine value for money there needs to be a balance between whole life costs and matching customer requirements. In most instances, the Council will use 'most economically advantageous' as the criteria which will include economy, efficiency, effectiveness, equality and diversity, environment, health and safety, innovation and

continuous improvement, management and organisation, sustainability and social impact.

2.4 A planned approach to procurement

- 2.4.1 The development of this procurement strategy began with an analysis of spending patterns and the mapping of requirements in the authority's procurement portfolio. For it to be successful the procurement strategy must be owned from the Corporate Management Team right through to Officers implementing the procurement of a wide range of goods, services and works.
- 2.4.2 Strategic procurement relies on the coordination and oversight of all procurement activities being managed within a professional discipline. The Council requires sufficient visibility and control of procurement to be able to take decisions based on expert advice and guidance backed by extensive market intelligence.
- 2.4.3 Procurement involves considering options and making informed choices. To be most effective early engagement with end users is recommended so that standards and service requirements can be discussed and determined. The selection of appropriate procurement routes and relevant evaluation criteria will assist in making the most of market opportunities. The Corporate Procurement Team needs to be influential and proactive so that it can help coordinate spending across the whole Council. The procurement function of the Council is now situated within Corporate Finance in order to gain an insight into the purchasing and commissioning behaviours across all service areas.
- 2.4.4 Even the lowest value procurement activity should be subject to an options appraisal at the outset of the project to assess the full range of practical alternatives for service delivery, providing supporting evidence on risk assessment, service definition and market intelligence. Appropriate procurement procedures can be selected as part of the approval process and detailed planning and programmes can be developed.

2.5 Sustainable procurement and whole life costings

- 2.5.1 The Local Government Act 2000 placed a duty on local authorities to prepare a community strategy for promoting or improving the economic, social and environmental wellbeing of their area and contributing to the achievement of sustainable development in the UK. The act gave authorities the power to do anything they consider is likely to achieve the promotion of the area's wellbeing, including the use of procurement to help deliver corporate objectives including the economic, social and environmental objectives set out in the community plan.
- 2.5.2 Strategic procurement by nature is responsible procurement and should include the consideration of factors other than cost in the assessment of value for money. Objectives in respect of sustainability (including socio-economic considerations), regeneration and other non-economic objectives will be supported by procurement activities.
- 2.5.3 Sustainability and quality can be taken into account when service delivery options are being considered. Legislation allows factors such as carbon footprint, replacement cycles and social benefits to be taken into consideration wherever it is appropriate to the contract. The correct stage to address these issues is right at the beginning of the procurement process – during the formation of the business case and in the writing of the specification.

- 2.5.4 The Council is committed to sustainable procurement and will adopt the Flexible Framework as recommended in Procuring the Future, Sustainable Procurement National Action Plan produced by the government's Sustainable Procurement Taskforce. The Council's Sustainable Procurement Strategy (Appendix 1) has been rolled out across the Council during 2010/11 and is continuing to be developed in conjunction with the Council's Green Champions and a framework of support produced by Defra.
- 2.5.5 The Council will strive to ensure that all staff engaged in procurement activity are aware of and adhere to the Chartered Institute of Purchasing & Supply's Code of Professional Ethics.
- 2.5.6 The Council should aim to maximise its options for purchasing from a diverse and competitive range of suppliers including minority businesses, voluntary and community sector groups, small and medium-sized firms and social enterprises. The majority of tendering exercises include supplier engagement workshops which outline the Council's objectives and explain the tendering procedure. This face-to-face contact is backed up by a web-based guide to doing business with the Council, an online contracts register. The Corporate Procurement Team are also encouraging officers to make provision for local businesses by looking at where projects can be broken down into lots and, where possible, inviting at least one local company to quote for any quotation exercise. Further work needs to be done to ensure that all officers involved in procurement are familiar with what the market can offer in terms of added value and this can only come about by regular dialogue and consultation with providers and potential providers.

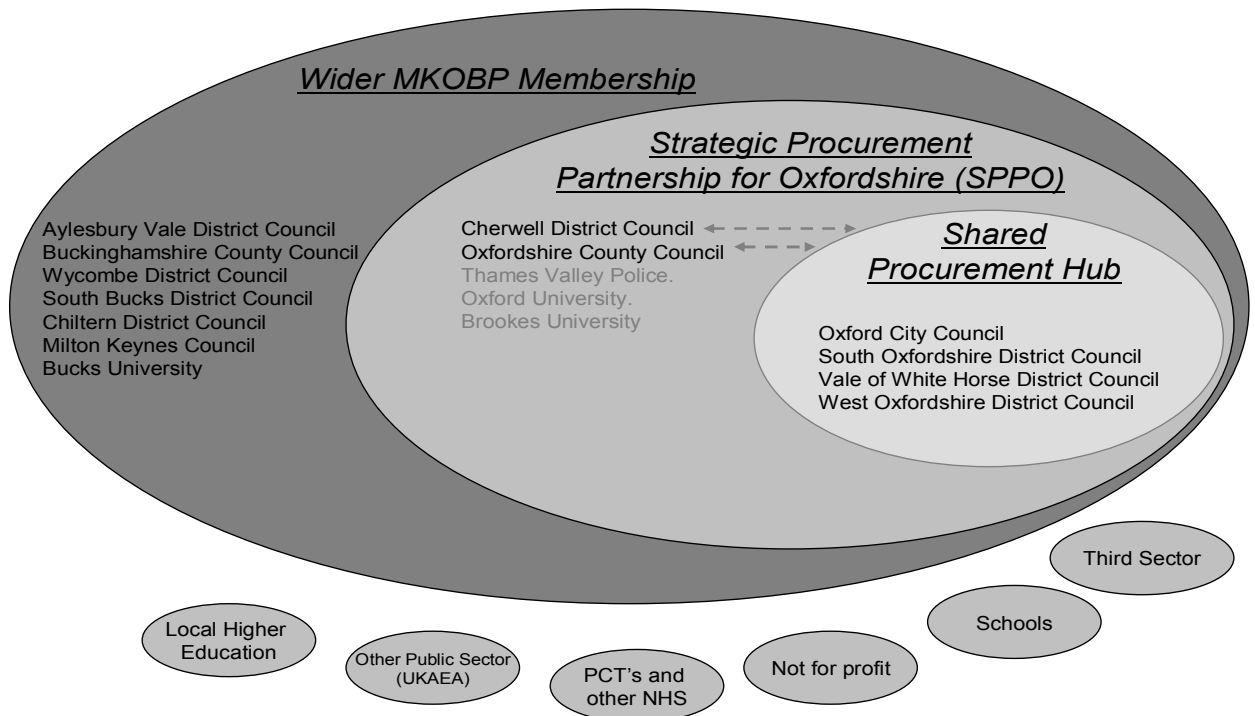
2.6 Equalities

- 2.6.1 The Council has introduced pre-qualifying safeguards that ensure all work carried out on behalf of the Council by external contractors is compliant with the latest equalities legislation with each interested party providing evidence not only of the policy but how it is put into practice.
- 2.6.2 The equalities questionnaires aim to:
- Establish that all organisations applying for work with the Council have a genuine commitment to equality of opportunity and that this will be effectively applied in their service delivery.
 - Encourage best practice with all organisations that work for the Council.
 - Protect the Council from prosecution in failing to meet its own commitments to equal opportunities legislation.
- 2.6.3 An Equality Impact Assessment has been carried out on the Procurement Strategy and Action Plan in line with the requirements of the Equality Standard and of the Race Relations Amendment Act (2000) and is compliant.

2.7 Collaboration

- 2.7.1 The Corporate Procurement Team has already demonstrated how effective collaboration with other public bodies and within partnering arrangements makes an essential contribution towards better strategic procurement with successful contracts in place for internal audit, advertising, agency staff, cash collection, cleaning materials, the supply of fuel, public toilet cleaning, printing, stationery, tyres and vehicle parts. As well as the economies of scale and added leverage that combined spending volume provides there are a whole range of established frameworks that can be accessed easily and used, either as a direct contract or as the basis for a mini competition. In either case the reduction in timescale and the combined market influence could be attractive.
- 2.7.2 Collaboration can take many forms, partnering with a neighbouring authority or PCT, drawing down on frameworks offered by one of the 50 professional buying organisations now in place, such as the Office of Government Commerce, or via a host of collaborative groups and consortia set up in service based interest groups. There are also the regional centres of excellence that provide signposting services to common interest groups.
- 2.7.3 The Council has a number of well established collaborative arrangements for delivering services, as detailed within the diagram over the page:
- The Oxfordshire Shared Procurement Hub
 - The Strategic Procurement Partnership for Oxfordshire – which includes Oxfordshire County Council and the other district authorities within Oxfordshire with links to Thames Valley Police, Oxford University and Brookes University
 - the Milton Keynes, Oxfordshire and Buckinghamshire Procurement Partnership
 - Town and Parish Councils.
- 2.7.4 The Council has spent the last year forging further relationships with Northamptonshire and Cambridgeshire via its growing collaboration with South Northamptonshire Council. A Key focus for 2011/12 is the creation of a shared senior management team with South Northamptonshire Council and the seeking of opportunities for shared services and process improvements across the two Councils. The Joint Arrangements Steering Group set up to facilitate collaborative opportunities between the two Councils has put in place a procurement work stream to enable both Councils to benefit from increased savings and process efficiencies with the development of a collaborative procurement strategy.
- 2.7.5 These partnerships work both ways and in some cases the contracts have been set up by other public bodies whereas with others Cherwell has set up the contract. Contracts set up under partnerships will normally remain as an arrangement between Cherwell and the relevant supplier.
- 2.7.6 These partnerships also involve strategic initiatives such as joint work on prompt payment discount schemes, supplier databases to aid the sourcing of pre-approved suppliers and seeking wider collaboration with other public bodies with particular areas of expenditure.

Current Collaborative Procurement Arrangements in Oxfordshire



Current Collaborative Procurement Arrangements in Oxfordshire

An alternative form of collaboration is the use of a professional buying organisation (PBO). The use of PBOs is well established and are used to:

- provide low-value, high-volume supplies, such as stationery and cleaning materials – often via catalogues;
- act as agents in setting up/facilitating joint contracts for groups of public authorities;
- supply goods and services, such as fuel and mobile telephones;
- act as a forum for the exchange of information and learning regarding procurement and commissioning;
- provide a source of procurement advice and guidance;
- establish national or regional contracts.

2.7.7 The development of collaborative relationships requires both give and take and the Council should be prepared to commit resources to joint initiatives where necessary.

2.8 Developing a mixed economy

- 2.8.1 The Council is committed to the promotion of a mixed economy of service provision on the basis that this is most likely to deliver best value for the district. This entails working with the public, private and voluntary sector organisations to develop co-operative procurement arrangements and develop supplier effectiveness.

Public Sector

- 2.8.2 The Council continues to look for partnership opportunities with the public sector, building on the success of its partnership with the PCT in provision of a GP led Health Centre and associated services clinic in Banbury. Partnership options continue to be sought with other local authorities within the Strategic Procurement Partnership for Oxfordshire with a current programme to look at further engagement with other public sector partners, including the NHS, MOD and universities and colleges.

Small and Medium-Sized Enterprises (SMEs)

- 2.8.3 The Council has a strong commitment to developing the local economy and signed up to the Small Business Friendly Concordat in 2008. Initiatives in place have led to the Council spending 66% of its third party expenditure with Small and Medium-Sized Enterprises compared to the current English District Council average of 47%.
- 2.8.4 The Council has worked hard at providing opportunities for local businesses to engage with the Council by providing a Selling to the Council area on the website that includes a guide to working with the Council, a contracts register and a forward plan listing forthcoming projects for the current financial year.
- 2.8.5 The Council hosted its first Meet the Buyer event in Banbury in September 2009 with almost 100 suppliers seen by all the Oxfordshire local authorities and other public sector partners, such as the Ministry of Defence.
- 2.8.6 The Council has developed its engagement with SMEs by offering supplier engagement workshops for the majority of procurement exercises which enable a better understanding of the market the Council is procuring from and enable a more effective procurement process in terms of time taken to procure, the quality of the service and a price which has removed unnecessary costs.
- 2.8.7 Our work with small businesses has earned us a regional award from the Federation of Small Business which recognises the vital role that local authorities play in supporting small businesses.
- 2.8.8 Such initiatives have led to the engagement of local suppliers who have not previously tendered for public sector – as demonstrated with the printing framework and several of the property maintenance contracts.

The Voluntary Sector

- 2.8.9 The Council engages with the voluntary sector via a range of grant aided initiatives and is currently looking at developing the market in elderly leisure provision. This is an area for further development with the need to look at providing a framework for developing closer strategic and operational working relationships in an open and accountable way and to enhance collaboration.
- 2.8.10 The Council is actively looking into facilitating the Big Society initiative and how procurement can play a part in releasing resources, funds and support from a central position by pushing them down to a local level to enable local people to take local actions and decisions for themselves.

- 2.8.11 Sir Stephen Bubb, Chief Executive, Association of Chief Executives of Voluntary Organisations recently pointed to the need to “re-discover and re-use the third sector” due to being more cost effective and having a broader impact than public sector provision. The Council will actively seek opportunities over the coming year for closer partnerships with the third sector looking to collaborate with other public sector organisations in developing the infrastructure to overcome the chief barriers to third sector provision, such as its lack of capital and its splintered small-scale nature.

2.9 Furthering skills development

- 2.9.1 The Corporate Procurement Team provides skilled and experienced officers who are able to provide advice and guidance on all aspects of procurement and who have knowledge and expertise of how to apply best practice in obtaining value for money. The team will also require specialist knowledge when dealing with specialist expenditure and this can be provided from our legal services team and through our procurement partnerships.
- 2.9.2 The Council’s membership of the Strategic Procurement Partnership for Oxfordshire and the wider Milton Keynes Oxfordshire and Buckinghamshire Procurement Partnership, its close alignment with the Oxfordshire Shared Procurement Hub and its growing relationship with Councils across Northamptonshire – and in particular South Northamptonshire Council - provides a huge knowledge base which is backed up by both regional, Improve and Efficiency South East, and national, Office of Government Commerce, bodies that provide a wealth of up-to-minute guidance and support.

2.10 Governance and compliance

- 2.10.1 All procurement activities must be conducted in compliance with the Council’s Contract Procedure Rules (CPR) and the relevant EU procurement legislation. Additional guidance is provided in the Interactive Procurement Guide which provides easy access to the procurement process for the complete range of procurement procedures by contract value with templates to enable standardisation and ensure compliance.
- 2.10.2 Effective application of procurement across the Council will only be delivered through the active participation and strict compliance of all those who control budgets and authorise expenditure as well as those with appropriate technical expertise/service experience.
- 2.10.3 Once contracts or other procurement arrangements are in place, the Council needs to ensure ongoing compliance and for this purpose contract management responsibility should be clearly defined so that each contract has an ‘owner’. Performance monitoring (against key performance indicators) is an essential function to ensure that value for money is being achieved. The working relationship between procurement officers and contract managers – be this the Corporate Contracts team or service based officers - is vital.
- 2.10.4 Reporting on procurement activities, requests for approval and contract management reports need to be handled within approved governance arrangements. The Procurement Steering Group provides a platform for the major value and high risk contracts to be discussed.

2.11 Management information

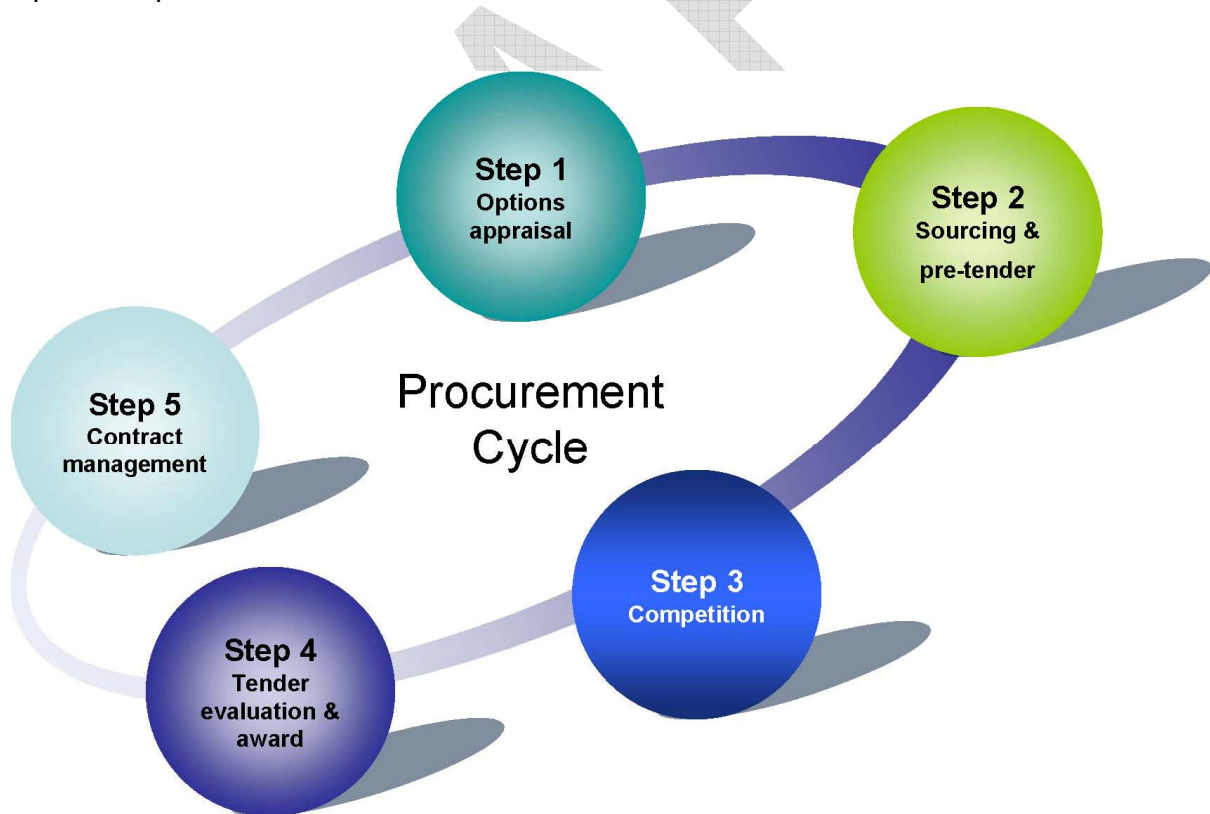
- 2.11.1 Collecting management information should be an essential feature of the Corporate Procurement Team and the analysis of the data and reporting process needs to become a feature of future reports.
- 2.11.2 An effective procurement strategy must be continually informed by analysis of management information (what, where and with whom money is being spent) and how well service requirements are being met. Much can be learned from the historic spending patterns of the Council and supplier/provider performance data.
- 2.11.3 The Council is actively participating in the Transform Partnership, a project covering all authorities in the South East and funded by the Improvement and Efficiency South East agency, to recover duplicate payments to suppliers and identify cost reduction opportunities via identifying lower commodity prices. A member of the team is currently developing the whole area of category management to enable better benchmarking and to identify areas of spend not currently within formal contract.
- 2.11.4 The corporate team are responsible for maintaining the Council's contracts register, which aims to list all contracts with a lifetime value greater than £10,000 and the Corporate Contracts Officer is leading on a contract reduction whereby he has interrogated the register to:
- Identify contracts from which we might gain additional savings – particularly by removing costs - to reduce current contract rates by a minimum of 5%.
 - Identify those contracts where additional support with contract management might release yet further savings.
 - Identify contracts where performance management mechanisms and other savings initiatives – such as fixing prices year on year or introducing early payment discounts.
- 2.11.5 The procurement function will be monitored against annual budget and service plan targets.
- 2.11.6 The outcomes from the procurement strategy will be considered in the medium term financial strategy scenario planning.

3. Improving Processes

“With all public service costs under pressure, better procurement provides an opportunity to make significant savings that don’t cut into front line services. Most councils already collaborate but, even where there is collaboration, it is not delivering all the possible benefits”

Mr Eugene Sullivan, Chief Executive of the Audit Commission, 21 May 2010

- 3.1 The scope of the procurement service has been determined by the Council and outlined within the Contract Procedure Rules so that clear roles and responsibilities can be allocated and owned – from the Corporate Management Team and the Strategic Procurement Group through to Heads of Service, Project Officers and the Corporate Procurement Team. To conduct a procurement exercise a combination of operational knowledge and specialist procurement expertise is required and how this is managed and by whom will contribute to the overall success of any project.
- 3.2 The diagram of basic procurement functions shown below highlights five major decision points at which the Council needs to have appropriate checks and balances in place to influence best practice. The processes involved in options appraisal and planning, sourcing via an effective pre-tender process, competition and tender administration, evaluation and award, and contract implementation and monitoring are all recognised as being within the scope of the procurement service.



- 3.3 The procurement process should therefore cover a full lifecycle of activities starting with the identification of needs, through sourcing, evaluation, selection, award, mobilisation and ongoing performance monitoring. This is sometimes referred to as ‘cradle to grave’ and the extent to which this process is managed/influenced by procurement staff varies in different organisations. If any of these stages become disjointed the integrity of the process is at risk and the chances of a successful outcome are reduced.

- 3.4** In the context of a procurement process, obtaining “best value for money” means choosing the bid that offers “the optimum combination of whole life costs and benefits to meet the customer’s requirement”. This does not necessarily mean selecting the lowest initial price option and the assessment of quality and the ongoing revenue/resource costs require thorough assessment as well as the initial capital investment. The Council needs to apply value for money principles in making all procurement decisions.
- 3.5** The Council can include social, environmental and other strategic objectives as part of its requirements and these must be defined at the earliest stages of the procurement cycle as they will form part of the decision making process. The way in which these requirements are expressed will influence the procurement exercise and there is an increasing trend towards the use of outcome based specifications which encourages more flexibility amongst providers to consider alternative and innovative options.
- 3.6** The methods used to ‘source’ suppliers, contractors and providers are vital as they become the first point of contact with the ‘market’ and will ultimately dictate which companies are selected to work with the Council. The opportunities presented by advertising requirements for contracts on the website should be fully promoted across the Council and there are many portals that can be used for lower value e.g. Supply 2 gov and IESE. The Council may also make use of market warming and market testing exercises to inform businesses cases.
- 3.7** In most circumstances the evidence required to prove value for money is obtained through competition. The regulations surrounding procurement are intended to promote ‘open and fair’ competitions and the way in which the Council is obliged to advertise its requirements and conduct procurement is prescribed by law. The Council has a duty to ensure that all such procurement activities are properly managed and should have appropriate measures in place to meet this obligation. Advice and guidance on compliance should be available from corporate procurement and an appropriate level of support should be provided for all forms of expenditure.
- 3.8** Evaluation can be a delicate process and needs to be controlled in accordance with specific conditions so that an impartial result can be relied upon and if necessary (under challenge) defended. A thorough evaluation is only possible when the tender documents have been well written and the evaluation criteria stated clearly. The controls necessary to conduct an evaluation should be explained as part of the procurement guide so that all staff and stakeholders involved can be fully informed of their responsibilities. We will adopt a fair and reasonable approach to all tender evaluations.
- 3.9** The final selection, recommendation and award stages should be managed in accordance with procurement guidance and the Council will set value thresholds to determine the reporting and approval routes for projects. Governance arrangements need to be stated within the constitution so that approvals can be obtained for the appropriate boards and there should be a clear line of reporting available for all procurement. Terms of reference may be required for each board so that the delegation of powers is formalised.

Contract Management

- 3.10** Contract management is often overlooked after the contract has been let. The ongoing management and interaction with the successful contractor is critical to the smooth running of the contract and over time the way in which the agreement matures will be largely a result of the interchange. The most successful contracts are regularly being revised and updated showing that both parties are flexible in their approach and willing to work together to continuously improve the service provided. This is often encapsulated as a ‘partnering’ type agreement where better understanding and closer working relations should lead to greater emphasis on achieving service outcomes and more efficient delivery mechanisms.

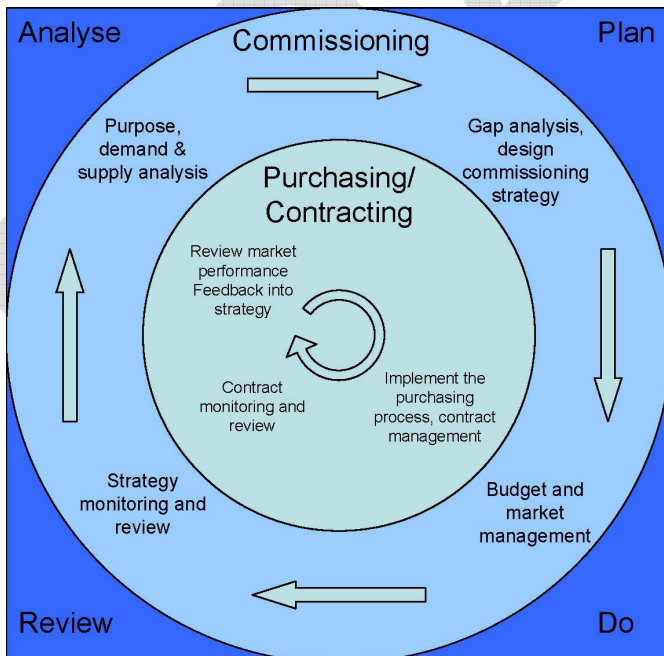
3.11 Each major contract should be owned by a named expert Officer within the Council. Where the contract covers more than one department, an expert Officer should be nominated by each department with leadership of the group by majority expenditure or election. Contracts should contain identifiable deliverables with agreed dates and/or key performance indicators against which progress can be monitored on a regular basis, normally quarterly. Where appropriate, contracts should contain clear escalation procedures should there be performance issues.

The development of the Council's service assurance function which has been initially established to manage the revenues and benefits outsourced contract will assist in improving the contract management function.

Commissioning Services

3.12 There are likely to be debates about what constitutes 'procurement' and what is 'commissioning'. The Cabinet Office defines commissioning as 'the cycle of assessing needs of people in an area, designing and then securing appropriate service.' Commissioning is, therefore, the set of linked activities required to assess the needs of the population, specify the services required to meet those needs within a strategic framework, secure those services, monitor and evaluate outcomes. For the purposes of this strategy procurement is regarded as any contractual arrangement the Council enters into that involves spending money. There should be reference made to grant funding which is allocated to third sector providers as in many cases this will be ring fenced and not be subject to open competition.

3.13 The Council regards the 'purchasing and contracting' activities to be part of the procurement process whilst the surrounding commissioning activities are regarded as a separate but complimentary function. The Institute of Public Care (IPC) links the procurement and commissioning cycles into a single model as shown in the following diagram.



4. Roles and Responsibilities

4.1 Ownership and Governance

Successful procurement requires an awareness of wider business issues such as culture change, communication, people skills and multi-stakeholder requirements, all of which must be addressed to ensure that changes are successfully implemented and contribute positively to Council policy.

This strategy is owned by the Head of Finance and will be updated annually in accordance with progress to date. The strategy and action plan will be reviewed at the quarterly Procurement Steering Group forum.

The Head of Finance has professional responsibility for the corporate strategic procurement function and discharges this responsibility through the Corporate Strategic Procurement Manager.

The Corporate Strategic Procurement Manager also has day to day responsibility for:

- taking a lead in the development, implementation and monitoring of the procurement strategy, reporting progress to the member champion for procurement
- managing the Contracts Register
- administering meetings of the Procurement Steering Group
- organising any tender process
- co-ordinating any pre-qualification process
- providing support, guidance and advice on procurement practice and assistance on major procurement exercises to all of the Council's service units
- Becoming a focal point for sharing good practice across the Council
- Providing procurement training
- Undertaking an onward going cycle of spend analysis on the Council's expenditure to highlight areas for potential savings/benefits to the authority.

The Corporate Procurement Team will set and maintain standards and provide a range of training opportunities that lead skills development for all officers regularly involved with procurement.

4.2 Procurement Steering Group

The Procurement Steering Group comprises a Core Group of:

- The Monitoring Officer (as Chair)
- The Section 151 Officer
- The Head of Finance (if not represented as the Section 151 Officer) and
- The Resources Portfolio Holder (on a case by case basis at his/her election)

or their nominees and a Strategy Group comprising:

- The PSG - Core Group and
- The Head of Environmental Services
- The Head of Urban and Rural Development
- The Head of Estates and Economic Development

or their nominees.

The PSG core group meets whenever there is business to discuss and the Strategy Group meets quarterly.

The function of the PSG Core Group is to:

- Consider and, if appropriate, authorise the undertaking of any procurement between £150,000 and £500,000 in estimated value or amount, and
- Consider and, if appropriate, approve the award of all Contracts between £150,000 and £500,000 in value or amount.

The function of the PSG Strategy Group is to:

- Perform a strategic and scrutiny role in relation to the Council's commissioning programme and all matters relating to the Council's contracting policy
- Provide a forum for Project Officers to discuss policy development, seek strategic advice and raise questions, issues and problems with Contract policy
- Define and spread best-practice as it relates to contracting and Contract management and monitoring
- Provide advice to Officers as appropriate on contracting issues
- Advise Members and the Chief Executive on the need for any revision to the Contract Procedure Rules, including changes to financial thresholds.

4.3 Strategic Directors

- Oversee procurement activity within their Directorate;
- Ensure the requirements of the CPR are upheld at all times; and

4.4 Heads of Service

- Ensure there is sufficient budget available for the works, services and/or supplies to be acquired by their Project Officer
- Ensure that the procurement proceeds in all respects in conformity with the CPR
- Authorise procurement projects and Contract awards affecting their service with a value below £150,000
- Record on the Council's Contracts Register the detail of all Contracts exceeding £10,000 that are awarded in connection with their service area
- Manage all Contracts within their service area
- Waive the call for competition (in accordance with the procedure prescribed in section 17 of the CPR) in relation to procurements below £10,000
- Sign Contracts below £100,000 on the Council's behalf
- Produce half yearly Contract management reports to the PSG Strategy Group
- Review, in conjunction with the Strategic Procurement Manager, any Approved Supplier List created by the Council for their service area in accordance with section 26 of the CPR.

4.5 Project Officers

- Plan and co-ordinate specific procurement projects
- Obtain all necessary authorisations (whether from their Head of Service, the PSG Core Group or the Executive) prior to progressing any stage of a procurement project
- Draw up or revise Contract specifications
- Ensure the Contract forms chosen for use in connection with the procurement are appropriate for their intended purpose
- Collate and assemble all tender documentation
- Undertake competitive processes, particularly bid evaluations, in such a way as to ensure all bidders are treated fairly and equally
- Prepare reports to the Executive, the PSG Core Group, the PSG Strategy Group or Service Heads as appropriate

- Ensure all necessary permissions are concluded before their Contract begins
- Administer and monitor their Contracts on a day to day basis to ensure compliance with the specified standards
- Ensure prompt payment to suppliers for work done to the required standard so as to further the Council's Economic Development Strategy objectives
- Ensure on a bi-monthly basis that information held on the Contracts Register is fully up-to-date; and
- Manage and maintain any Approved Supplier List created by the Council for their service area in conjunction with the Corporate Strategic Procurement Manager.

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5. Objectives and Outcomes

5.1 Objectives

In order to achieve our vision for procurement we will need to aim for a number of objectives.

- Provide a corporate led focus on strategic procurement, with greater visibility and understanding of management information to help coordinate all procurement activity in conjunction with procurement champions from all services.
- Develop procurement skills and adopt a structured approach to education, training, and development for all staff and Council members with procurement responsibilities.
- Ensure that procurement strategy, planning and practice supports the Council's core values, corporate aims and objectives. Encourage long-term thinking and commitment to strategic procurement issues.
- Factor in sustainability, local economic development and equality and diversity objectives throughout all procurement activities.
- Utilise e-commerce to achieve transactional efficiency and provide accurate management information, making best use of information and communications technology to improve efficiency and effectiveness.
- Support the delivery of services to end users, ensuring stakeholder involvement and customer satisfaction surveys are routinely included. Ensure that consultation with service users and the local community drives our actions in commissioning and procurement.
- Ensure all operational procurement and contract management activity complies with standing orders and statutory regulations.
- Measure procurement performance using benchmarking and promote innovation to achieve continuous improvement of procurement activity across the Council.
- Achieve and evidence value for money in all procurement arrangements, capture and record the benefits. Continue partnership working to achieve value for money across the region.
- Develop procurement collaboration with other public bodies through a mixed economy approach and encourage partnering.
- Merge the activities of the procurement and service assurance team in order to enhance the procurement and contract management processes.

The specific actions associated with these objectives are outlined in Section 7.

5.2 Outcomes

Achieving the objectives laid out in this strategy will:

- Deliver a procurement strategy aligned with the Council's sustainable community strategy and corporate plan
- Deliver significant cost and efficiency savings;
- Give clear visibility of off-contract spend to enable action to be taken and possible cost savings identified;
- Improve options appraisal and planning methodology;
- Base our procurement decisions on whole-life costs that achieve clearly evidenced sustainable outcomes;
- Support the authority's aim of meeting the 'achieving' standard in the new equalities framework for local government. We are currently self assessed at Level 3 under the old inspection regime;
- Continue to make it easier for local businesses to trade with us and implement a two-way dialogue process via online questionnaires and focus groups;
- Use suppliers with the capacity and capability to effectively deliver front line services at the right price;
- Enhance collaboration with a wide range of partners to improve procurement outcomes in terms of quality and exploiting economies of scale;
- Promote a mixed economy of service provision that engages with the private, public and voluntary sector organisations;
- Seek to involve service users, local communities and front line staff in the commissioning process:
- Secure procurement champions in all Council services;
- Support the authority in achieving high scores in the Use of Resources assessment;
- The corporate procurement function should remain as a self funded team ;
- Ensure that UK & EU Procurement Regulations are satisfied
- Be recognised as a leader in the procurement field within local government.

6. How will we know how we are doing?

- 6.1** The Corporate Strategic Procurement Manager reports to the Head of Finance on a regular basis on the following:
- Progress against the targets set out in the procurement strategy action plan;
 - Opportunities for major collaborative ventures;
 - Reports on specific procurement exercises.
- 6.2** The Corporate Strategic Procurement Manager is also responsible for reviewing training needs and the implementation of the Interactive Procurement Guide.
- 6.3** The Corporate Procurement Team also seeks feedback from our internal and external customers on a project by project basis.
- 6.4** The Corporate Procurement Team also undertakes benchmarking against expenditure by other local authorities and public bodies to evidence value for money within all contracts.
- 6.5** The Procurement Steering Group will oversee the implementation of this procurement strategy and the delivery of the action plan.
- 6.6** The Procurement Steering Group will meet quarterly and be responsible for the achievement of the corporate efficiency and savings targets; to programme manage projects especially the large savings areas; to identify non-contract spend and schedule actions on the procurement plan, and to undertake a scrutiny role to ensure that contracts are effectively managed and to ensure that projected savings are monitored and delivered.
- 6.7** The Council has a member champion for procurement, the Portfolio for Resources, whose role is to:
- Promote procurement at Executive and raise the profile of procurement with members;
 - Receive quarterly updates of the procurement action plan to monitor progress on its implementation;
 - Make recommendations to Executive for changes in strategy, policy or corporate resources.
- 6.8 Key Performance Indicators**

In October 2008, the Government published the “Procurement value for money indicators”. These indicators are grouped under 4 headings: strategy, purchasing and equalities.

The Council will report quarterly on the indicators listed in Appendix 2.

7. Action plan and timescales

7.1 Embed and Develop the use of the Procurement Strategy objectives across the Council

Action	Lead	Focus
<ul style="list-style-type: none"> • Consolidate the key officers group already trained via workshops for continued development of options appraisals for all service planning and contract management to enable better planned and managed contracts. <ul style="list-style-type: none"> ○ Consult on further needs and undertake a gap analysis on a project by project basis; ○ Build on workshops held in 2010; ○ Monitor progress and build case studies for use in workshops and to encourage buy-in. 	Procurement Manager	Q1 and Q2
<ul style="list-style-type: none"> • Develop the role of the Procurement Champions with a more structured system for feeding back issues to the Procurement team: <ul style="list-style-type: none"> ○ Create clear terms of reference; ○ Add key elements of this role to job descriptions; ○ Use feedback to further develop the training workshops 	Corporate Contracts Officer	Q2
<ul style="list-style-type: none"> • Enhance the understanding of whole life costing exercises providing case studies and a simplified tool with a step-by-step guide. 	Procurement Manager	Q3
<ul style="list-style-type: none"> • Arrange additional cost effective external training for key officers via the CIPS Accredited Procurement Practitioner Training Framework. <ul style="list-style-type: none"> ○ Identify key officers each quarter; ○ Arrange single training days for each module chosen in conjunction with Oxfordshire and Northamptonshire partners to keep down costs; ○ Ensure all participants complete feedback forms for measuring effectiveness of courses and that they agree a plan for how they will use what they have learned. 	Corporate Purchasing Officer	Q3

7.2 Governance and compliance		
Action	Lead	Focus
<ul style="list-style-type: none"> • Ensure all operational procurement and contract management activity complies with the Council's Contract Procedure Rules (CPR) and statutory regulations by: <ul style="list-style-type: none"> ○ Referring to the CPR with workshops; ○ Refreshers on a project by project basis; ○ Use of the rolling carousel news function on the intranet; ○ Regular meetings with HoS; ○ Visiting DMTs. ○ Circulating key learning points and case studies via Cascade and Inside Cherwell. 	Procurement Manager	Onward going
<ul style="list-style-type: none"> • Enhance the scrutiny and policy development role of the Procurement Steering Group Strategy Group by: <ul style="list-style-type: none"> ○ Holding first quarterly meeting by the end of May 2011 at which key objectives for the year will be agreed; ○ Rollout to HoS with rolling membership of two to three HoS. 	Head of Finance	Q1
<ul style="list-style-type: none"> • Monitor procurement indicators with an agreed recording mechanism in place by July 2011. 	Head of Finance	Q1
<ul style="list-style-type: none"> • A "No Purchase Order No Pay" policy is proposed whereby all expenditure is approved before it is committed. Retrospective Purchase Orders i.e. those raised after the commitment has been made should be discouraged and in due course sanctions should be considered for non compliance: <ul style="list-style-type: none"> ○ Promote work undertaken by Controls team via intranet carousel, Cascade and Inside Cherwell; ○ Undertake quarterly reviews with Controls team and approach officers not conforming to the policy. 	Corporate Purchasing Officer	Onward going
<ul style="list-style-type: none"> • Encourage buy-in to the rules from Members – particularly portfolio holders - by publishing regular updates via the Your Council Matters bulletin. 	Procurement Manager	Onward going

7.3 Achieve greater efficiency and demonstrate improved value for money		
Action	Lead	Focus
<ul style="list-style-type: none"> Deliver VFM savings associated with best practice procurement for all categories with a lifetime contract value of more than £10,000 per annum with records maintained for anticipated and actual savings. Cashable savings target of minimum of £150,000 for 2011/12. 	Head of Finance and Procurement Manager	Onward going
<ul style="list-style-type: none"> Further develop additional savings strategies such as: <ul style="list-style-type: none"> More in-depth options appraisals that review the scope and service level requirements of contracts; Exploring opportunities for in-sourcing, shared services or outsourcing to other authorities where appropriate; Finder fees and reduced rates/retrospective discounts for opening tendered contracts to other authorities; Prompt payment discounts. 	Head of Finance and Procurement Manager	Onward going
<p>Further develop spend analysis and category management analysis via analysis of spend data from 74 Councils across the South East and regular interrogation of Agresso. Quarterly reports to:</p> <ul style="list-style-type: none"> Identify new opportunities; Report back on progress with previously identified opportunities. 	Procurement Assistant	Onward going
<ul style="list-style-type: none"> Continue supplier rationalisation and elimination of spend with non-approved suppliers via analysis of data from across the South East and Agresso. Aim for 100% on contract expenditure for existing corporate contracts. <ul style="list-style-type: none"> Quarterly report of rationalisation achieved in key areas: <ul style="list-style-type: none"> Property maintenance; ICT. Quarterly report on conformity to corporate contract expenditure in key areas: <ul style="list-style-type: none"> Advertising Print Agency staff 	Corporate Purchasing Officer	Onward going

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7.4 Develop the corporate contract management methodology and promote across all service areas		
Action	Lead	Focus
<ul style="list-style-type: none"> • Maintain a Council wide register of all contracts/agreements for all significant contracts (over £10K) and monitor procurement performance and activity, including savings and benefits tracking: <ul style="list-style-type: none"> ○ Quarterly contract review for all contracts on the register including record of any additional savings and efficiencies. • Implementation of the three contract management templates developed by the Corporate Contracts Officer. <ul style="list-style-type: none"> ○ Quarterly review of templates in action both for new and existing contracts with brief case studies to promote good practice. • Further develop contract management processes via consultation and implement a framework for sharing best practice across all service areas. <ul style="list-style-type: none"> ○ Consult with HoS to nominate a contract management steering group – one officer from each Directorate as a minimum; ○ Agree terms of reference and objectives for 2011/12; ○ Sharing of best practice via Intranet, Cascade, Inside Cherwell and DMTs 	Corporate Contracts Officer	Onward going
	Corporate Contracts Officer	Onward going
	Corporate Contracts Officer	Q2 and Q3

7.5 Sustainability		
Action	Lead	Focus
<ul style="list-style-type: none"> • Develop all the following via participation with the Use of Natural Resources Steering Group. • Integrate the Sustainable Procurement Strategy into the body of the Procurement Strategy. • Provide a quick reference guide to Sustainable procurement with links to further information. 	Procurement Manager	Q2
	Procurement Manager	Q3

7.5 Sustainability		
Action	Lead	Focus
<p>Page 66</p> <ul style="list-style-type: none"> • Work with Environmental Strategy Officer and team to include sustainable procurement within the outlook of the Green Champions. • Consider the costs and benefits of environmentally preferable goods/services as alternatives as part of the full lifetime cost calculation process. • Promote awareness, train and encourage buyers to review their consumption of goods and services, reduce usage and adopt more environmentally friendly alternative products. • Ensure sustainability is addressed with each procurement exercise by including it as a section within the stakeholder questionnaires and encouraging sustainability to be included within evaluation criteria as well as the assessment/pre-qualification stages. <p>Promote the Sustainable Procurement Strategy with the market place via:</p> <ul style="list-style-type: none"> ○ Pre-tender market engagement exercises; ○ Working with the council supplier workshops; ○ Including a copy of the policy with all quotation and tender exercises. <ul style="list-style-type: none"> • Encourage buyers to break down larger contracts to match SME and Social Enterprise capacity where appropriate. • Develop the inclusion of sustainability factors within contract management key performance indicators. • Make provision for the collection of cost benefit data for sustainable solutions put in place. 	Corporate Contracts Officer	Q2
	Corporate Purchasing Officer	Onward going
	Procurement Manager	Onward going
	Corporate Purchasing Officer	Onward going
	Corporate Contracts Officer	Onward going
	Procurement Manager	Onward going
	Corporate Contracts Officer	Q2
	Corporate Purchasing Officer	Q2

7.6 Joint Working		
Action	Lead	Focus
<ul style="list-style-type: none"> • Develop framework for cooperation with South Northamptonshire Council in 2011/12: <ul style="list-style-type: none"> ○ Review forward plans for all procurement exercises in 2011/12 across both Councils; ○ Agree collaboration projects and targets for economies of scale in procuring together; ○ Review value for money of existing draw down contracts where there is the option of switching to whichever contract demonstrates the best VFM; ○ Review existing common contracts and options for collaborative negotiating of the scope and pricing structures. ○ Provide quarterly reports on additional savings achieved by above activities. • Consider options for further joint working and/or shared services. 	Head of Finance and Procurement Manager	March 2011 March 2011 Q1 Q1 Onward going As required by Joint Arrangements Steering Group

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7.6 Collaboration		
Action	Lead	Progress to date
<ul style="list-style-type: none"> • Develop further strategic links with the following procurement partners to share best practice, reduce duplication and administration costs and release additional savings: <ul style="list-style-type: none"> • Oxfordshire Procurement Hub • Strategic Procurement Partnership for Oxfordshire (SPPO) • Northamptonshire procurement partnerships • Milton Keynes, Oxfordshire and Buckinghamshire Procurement Partnership (MKOB) • Procurement arm of Improvement and Efficiency South East (IESE) – and future partners – PCT, Thames Valley Police, Universities and Colleges. • The South East Business Portal. 	Procurement Manager	Onward going

7.7 Continuous improvement		
Action	Lead	Focus
<ul style="list-style-type: none"> Enhance Procurement team's knowledge of the following via involvement with local partnership networks, Achilles (local training provider based in Abingdon), Hampshire Procurement Practitioner framework, national conferences and procurement networks such as the Society of Procurement Officers and the Chartered Institute of Purchasing: <ul style="list-style-type: none"> In sourcing vs. out sourcing; Shared services; Public sector service provision – both by Cherwell on behalf others and by others on behalf of Cherwell. 	Procurement Manager	Onward going
<ul style="list-style-type: none"> Develop forward looking options appraisals to assist with the development of the new service areas across Cherwell and South Northamptonshire Council: <ul style="list-style-type: none"> Identify alternative service provision models in terms of how services are procured; Provide input into service planning development for 2011/12 and then into 2012/13. 	Procurement Manager	Q2 Q3
<ul style="list-style-type: none"> Ensure contract management methodology and best practice identified under 7.4 is disseminated across the Council with benefits recorded and shared. 	Corporate Contracts Officer	Q4
<ul style="list-style-type: none"> Effective benchmarking of current contracts against other authorities in the South East. 	Procurement Assistant	Onward going
<ul style="list-style-type: none"> Support the delivery of services to end users, ensuring stakeholder involvement and customer satisfaction surveys are routinely included. 	Procurement Assistant	Onward going

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7.8 Mixed Economy		
Action	Lead	Focus
<ul style="list-style-type: none"> • Continue to make it easier for local businesses to trade with us and implement a two-way dialogue process via online questionnaires and focus groups: <ul style="list-style-type: none"> ○ Dispatch of and collation of feedback from of an online questionnaire; ○ Develop use of engagement forums for all relevant projects; ○ Feedback questionnaire for short listed suppliers – record any feedback from phone debriefs to reduce workload on suppliers. • Maximise options for procuring from a diverse and competitive range of suppliers including minority businesses, voluntary and community sector groups, small firms and social enterprises by: <ul style="list-style-type: none"> ○ Encouraging breaking down of projects into lots where appropriate; ○ Including local SMEs on invitation to quote exercises; ○ Considering Selling to the Council workshops for all relevant projects; ○ Explore how we developing closer strategic and operational working arrangements with the Voluntary and Community Sectors: ○ Partner with the Economic Development team to provide further support for social enterprises within the district. 	<p>Corporate Contracts Officer</p> <p>Procurement Manager</p>	<p>Onward going</p> <p>Onward going</p>

7.9 Corporate Procurement Resources		
Action	Lead	Focus
<ul style="list-style-type: none"> • Raise the profile of the Procurement Service and its achievements, both internally and with external stakeholders by: <ul style="list-style-type: none"> ○ Arranging bi-monthly 1-2-1's with key Heads of Service; ○ Regular updates via intranet carousel, Cascade and Inside Cherwell focusing on corporate contracts, the contracts register, updates and tips.; ○ Meetings with the partners listed in 7.6 	<p>Procurement Manager</p>	<p>Onward going</p>

7.9 Corporate Procurement Resources		
Action	Lead	Focus
<ul style="list-style-type: none"> Recruitment, retention and development of capable procurement staff in all procurement-related posts. 	Procurement Manager	Onward going
<ul style="list-style-type: none"> Development and delivery of a procurement training programme; providing training and supporting professional procurement staff in obtaining core qualifications and keeping their skills up-to-date through Continuous Professional Development. 	Procurement Manager	Onward going
<ul style="list-style-type: none"> Ensure effective use of the Corporate Procurement Team to provide a range of services, from advice and guidance to undertaking full procurement processes for departments on specific projects to seek Value for Money in all contracts let. 	Procurement Manager	Onward going
<p>Develop the role of each member of the Procurement team:</p> <ul style="list-style-type: none"> Procurement Assistant – category management and identifying new VFM frameworks with other authorities as well as central purchasing bodies; Corporate Purchasing Officer – increasing effectiveness of corporate contracts, communication with services (keeping internet and intranet up to date), ensuring all recurring low value expenditure from £5,000 to £20,000 per annum is captured under a formal contract or use of a framework; Corporate Contracts Officer – extending contract management and negotiating role to ensure further efficiencies and savings with all existing and new contracts. 	Procurement Manager	Onward going

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8. Procurement Toolkit & References

8.1 Procurement Toolkit

A Procurement Toolkit, consisting of an interactive guide and accompanying templates, has been developed for service users engaged in contract activity. The Toolkit comprises procurement guidance and templates to enable users undertake lower levels of quotation and tendering activity to achieve best value and comply with the Corporate Procurement Procedure Rules.

The interactive guide consists of two sections:

- A series of contract value band based tables taking officers through the stages of a procurement exercise for quotations (i.e. purchase values up to £100,000) and tenders (i.e. all purchases above £100,000).
- Detailed guidance which is linked to each of the stages within the guide.

There are also links within the guide to take the officers to a range of templates, from authorisation to procure to award letters.

The Procurement Team will offer a Procurement Training Workshop for all staff involved in Procurement activity, covering the Contract Procedure Rules and the Procurement Toolkit.

8.2 References

The strategy has been formulated with reference to:

- Sustainable Community Strategy – 2009–2012
- Corporate Plan 2011–2012
- Corporate Improvement Plan
- Medium Term Financial Strategy
- Economic Development Strategy
- 2011/12 Service Plans

It has also been formulated with reference to other corporate strategies adopted by the Council to ensure business continuity for all service users.

The Council has many applicable policies and practices relevant to this strategy, which include, but are not limited to:

- Corporate Procurement Rules
- Standing Orders
- Whistle blowing Policy
- Risk Management Policy
- Performance Management Framework
- Equality and Diversity Policy

In addition the strategy links heavily to

- Procurement Guide

8.3 Useful Links

- <http://www.cherwell.gov.uk/index.cfm?articleid=3633>
- <http://www.defra.gov.uk/sustainable/government/publications/procurement-action-plan/index.htm>

Appendix 1 – Sustainable procurement strategy

Introduction

This Strategy is an appendix to the Cherwell District Council's Procurement Strategy and aims to ensure that all procurement undertaken by the Council is based upon sustainable principles.

Cherwell District Council spends around £9 million a year on a diverse range of goods, works and services with external suppliers. It is a major purchaser and purchases electronic equipment, food, paper, furniture, energy, cleaning equipment, vehicles etc. and the approach taken to this spending has a significant impact on the community and our own resources.

Everything purchased from stationery to landscaping services has an impact on the environment and society, therefore Procurement is well placed to make a positive contribution to sustainable development through its Procurement decisions.

Sustainable Procurement is defined as:

'That process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole-life basis in terms of generating benefits not only to the organisation, but also to society and the economy whilst minimising damage to the environment.'

The Sustainable Procurement Task Force

Sustainable Procurement is about taking environmental, social and economic factors into account in purchasing decisions. It is about looking at what your products are made of, where they come from and who has made them.

Any purchasing strategy must be based on value for money, and the government's definition of buying green is the optimum combination of whole life cost (including cost to the environment in terms of environmental impact) and quality (or fitness for purpose) to meet the user's requirements. In other words, buying green means considering the environmental, social and financial costs over the total lifespan of goods, services and works, with a particular emphasis on considering the lifespan.

Aim

Cherwell District Council is committed to ensuring the goods, services and works it purchases are manufactured, delivered, used and disposed of in an environmentally and socially responsible manner, and deliver long term value for money for the Council and the public sector as a whole.

Scope

This policy applies to all procurement activities undertaken by Cherwell District Council.

Key Objectives

Purchasing in a sustainable manner offers potential whole life cost savings, supports our commitments in our Corporate and Improvement Plan and our Environmental Strategy for a Changing Climate and safeguards our reputation as a responsible public body: protecting the health of our staff, the residents and visitors to Cherwell. The key objectives addressed by this policy are:

- Reducing fossil fuel and overall energy use to minimise climate change
- Reducing use of hazardous and harmful materials – See Annex A
- Reducing waste

- Giving preference to recycled products and part recycled products over recyclable and non-recycled products, where the required criteria for performance and cost effectiveness can be met
- Giving preference to recyclable products and materials if recycled or part recycled products and materials are not available or suitable. Minimise the use of products made from virgin natural materials
- Helping to improve public health and quality of life
- Helping to increase levels of employment, skills and equality in Cherwell
- Helping to ensure fair pay and working conditions throughout our supply chain
- Protecting and enhancing biodiversity
- Complying with current legislation and anticipating future legislation.

Key Strategy Principles

The Council will:

People, Education and Awareness

1. Promote awareness, train and encourage buyers to review their consumption of goods/services, reduce usage and adopt more environmentally friendly alternative products.
2. Ensure all staff involved with procurement participates in procurement training, which will include sustainable procurement guidance, and participate in annual refresher training.
3. Incorporate Sustainable Procurement into the induction, job descriptions, objectives and recruitment criteria for all relevant staff.
4. Communicate this policy to suppliers, with buyers including a copy of this Sustainable Procurement Strategy as an appendix to all Invitations to Tender and all tender response questionnaires will require potential suppliers to outline their own Sustainable Procurement Strategy.

Policy, Strategy & Communications

1. Consider the costs and benefits of environmentally preferable goods/services as alternatives.
2. Investigate the impact of the Council's expenditure on goods and services, via purchase spend analysis, to identify potential environmental impacts.
3. Investigate opportunities for the recycling and re-use of materials where appropriate.
4. Deliver the procurement actions associated with the Council's Environmental Strategy for a Changing Climate.
5. Work in partnership with other organisations in Oxfordshire and the South East region to improve sustainable procurement.

Procurement Process

1. Prior to any tender process, buyers will review and challenge the anticipated annual requirement to minimise volume, scale, costs and environmental impact – this will include buyers ensuring that they consider similar requirements from other buyers across the Council and beyond, consulting with procurement. Buyers will establish that:
 - a. there is a genuine operational need for the purchase
 - b. all cost effective opportunities for products to be shared, upgraded, refurbished, leased or delivered as a service have been exploited
 - c. the product will be used efficiently, minimising waste
 - d. the forecast of requirements is accurate.

2. Prior to any tender process, buyers will identify how the contract being tendered will satisfy one of more of the key sustainability objectives listed above. Where relevant, buyers will identify actions to reduce impacts through supplier pre-qualification, specifications, evaluation criteria, supplier development and continuous improvement.
3. Make procurement decisions based on long term value for money using whole life costing, this will include initial purchase cost, operating, management and disposal costs. Where relevant, buyers will evaluate all tenders on the basis of long term value for money, using whole life costing to assess:
 - a. purchase, installation, transportation and commissioning costs;
 - b. operating costs, including labour, maintenance, re-processing, energy, water and consumables usage;
 - c. management costs, including staff training, insurance, health and safety and environmental costs;
 - d. disposal costs.This approach should be used for all capital investments, waste contracts and where comparing consumables against reusable alternatives. For key cost categories, such as energy, price escalation indices will be used to reflect cost increases over time.
4. Ensure that where appropriate, suppliers' environmental credentials are considered in the supplier evaluation process and that environmental criteria are used in the award of contracts.
5. Ensure that consideration is given to inclusion, within all specifications, of a facility for suppliers to submit offers for environmentally friendly alternatives.
6. Specify, wherever possible and practicable, the use of environmentally friendly goods.
7. Ensure any Service Providers supply the Council with such information relating to its CO2 emissions as the Council may require from time to time in order to monitor its overall performance on emissions

Engaging Suppliers

1. Ensure that as a minimum all procurements above £100,000 are advertised via the local media, a trade journal and on our website.
2. As part of the sourcing strategy, buyers will consider the potential to:
 - a. break down larger contracts to match Small to Medium Sized Enterprise (SME) and Social Enterprise capacity
 - b. encourage collaboration between local SMEs and Social Enterprises to compete for larger contracts
 - c. encourage larger suppliers to sub-contract to local SMEs and Social Enterprises and
 - d. hold supplier briefings prior to issuing Invitations to Tender to explore innovation and ensure that specifications are deliverable by the marketplace.
3. Educate our suppliers regarding the Council's environmental and equality objectives.
4. Encourage and persuade suppliers to adopt environmentally friendly processes and supply environmentally friendly goods/services.
5. Work with key suppliers to make changes and thereby extend sustainability improvements throughout the supply chain.

Implementation

A focus group consisting of nominated Procurement Champions from across the service areas will be set up to promote the implementation of the strategy. The advisory group will prepare an annual report on the activities carried out and a work programme. Technical criteria will be developed to use in Invitations to Tender for works and supplies contracts.

Development and Review

This strategy will be reviewed and updated on an annual basis with the findings presented to the Procurement Steering Group for approval.

The Council will continually improve the procurement strategy and its guidelines by;

- regularly reviewing contracts and suppliers;
- benchmarking this strategy with others;
- integrating the Council's procurement standards and processes with environmental performance indicators.

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Annex A - Hazardous and Harmful Materials

It is the policy of Cherwell District Council to ban the use of environmentally damaging products or processes by the Council where a less environmentally damaging alternative is available.

Specifically banned are:

- a) Chlorofluorocarbons (CFCs) and other ozone depleting chemicals
- b) All timber or timber products which do not have Forest Stewardship Council (FSC) certification or equivalent (see information within the Sustainable Procurement Guide)
- c) Virgin paper (even if FSC approved or equivalent) unless specially authorised
- d) Leaded petrol
- e) Asbestos in the composition of any products (under exceptional circumstances, where it is essential to performance, Chrysotile (white) asbestos may be used, subject to prior agreement in writing by Environmental Services).

Restrict the use of the following products by using practical alternatives (see the Sustainable Procurement guidance):

- a) Peat and peat-based products
- b) PVC and PVC products
- c) Chlorine bleach
- d) Aerosol containers
- e) Solvent-based products
- f) Hazardous and deleterious materials such as pesticides, weed killers and preservatives, where it is not possible to avoid these, appropriate suppliers will be instructed to ensure that the required COSHH data accompanies all deliveries of hazardous products.

Appendix 2 – Procurement performance indicators

Strategy
<p>LIB/P3 – Best Practice</p> <p>Percentage of the value of contracts awarded that commence in the financial year that are in accordance with Comprehensive Procurement Procedure Rules</p>
<p>LIB/P4 – Aggregation 1</p> <p>Percentage of corporate spend aggregated through corporate framework agreements and corporate contracts</p>
<p>LIB/P5 – Aggregation 2</p> <p>Percentage of corporate spend aggregated through collaboration with other public sector organisations</p>
<p>LIB/P8 – Sustainable Procurement</p> <p>Percentage of framework agreements and contracts awarded following best practice on sustainable procurement</p>
<p>LIB/P9 – Local Government Market 1</p> <p>Percentage of corporate spend placed with small and medium enterprises (SMEs)</p>
<p>LIB/P10 Local Government Market 2</p> <p>Percentage of corporate spend including grants spent with the third sector</p>
<p>LIB/P12/13 Satisfaction with the Corporate Procurement Function</p> <p>Annual customer satisfaction survey : internal and external</p>
<p>Primary Indicator 1: Total cost of the procurement function</p> <p>a. as a percentage of the organisational running costs b. as a percentage of non-pay expenditure</p>
<p>Primary Indicator 2: Progress against annual savings target</p> <p>a. . as a percentage of the £150,000 target</p>

Purchasing

LIB/P30 – Percentage of corporate spend through procurement cards.

This indicator will allow the Council the opportunity to review progress in rolling out this initiative.

Equalities & Competition

LIB/P31 – Equal opportunities

The inclusion of equality considerations in strategies and plans and their influence at each stage of procurement and contract management

DRAFT

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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