



The Learning Trust Corporate Procurement Strategy 2007

August 2007



the learning trust
the future for education in Hackney

Procurement Mission Statement

The Supplier Relations team's role is to enable the Trust and Hackney schools to obtain the maximum possible benefit from the money they spend on the goods and services they require for the delivery of their education services, constantly seeking value for money, reliability, responsiveness and innovation. The team will listen, teach, share, and develop skills and confidence.

Working with Trust and school stakeholders, cost centre managers, requisitioners and suppliers the Supplier Relations team aims to ensure that the Trust is seen as a centre of excellence in matters of purchasing and commissioning.

1. Introduction

The objective of this strategy is to obtain maximum economy, efficiency and effectiveness for the Trust and schools through the planned and informed management of the procurement and commissioning of goods, services and facilities purchased by the Trust and schools, and to measure the achievement of these goals via defined key performance indicators.

The strategy sets out our priorities and approach for achieving best value and statutory compliance in our procurement activity over the next three years and provides an important element of the corporate framework to support the Trust and Hackney schools in the achievement of their strategic objectives under the *Every Child Matters* themes (Being Healthy, Staying Safe, Enjoying and Achieving, Making a Positive Contribution, Economic Wellbeing) and the Trust's Financial Strategy.

The strategy outlines how we will deliver and manage contracts that either directly impact on the Trust's objectives or that ensure those staff delivering front line educational services have access to the goods and services they need in order to fulfil their roles as efficiently and effectively as possible. The strategy should be read in conjunction with the Trust's iNeed procurement guidance on the intranet <http://aspire/Resources/Pages/workplace.aspx>.

Hackney schools have delegated budgets and with that the responsibility for their management passes to the governors. The Trust's Supplier Relations department provides a support and guidance service to schools, developing a range of school specific Framework Agreements and offering a wide range of contracts and pricing deals which schools can opt into at any time. We also provide ad hoc support and advice on any procurement or contract matter.

For clarification purposes the Supplier Relations team is responsible for delivering and managing contracts for commercial goods and services and the commissioning of contracts covering direct educational or childcare provision.

2. Background

The Learning Trust is independent of the Local Authority and as such does not report directly to government with regards efficiencies achieved in response to the 2007 Comprehensive Spending Review.

However we recognise that the Value for Money agenda and the National Procurement Strategy for Local Government are central to the efficient management and sustainability of the services that the Trust provides and their recommendations reflect procurement best practice. They impact on our operations as we support the London Borough of Hackney in achieving its efficiency targets. Also, as a publicly funded organisation we are committed to value for money and will ensure through our strategy and processes that expenditure on goods and services is managed in the most efficient and effective ways possible.

3. What is Procurement?

Procurement and commissioning is the acquisition and management of goods and services from third party suppliers. The process spans the whole cycle from identification of need and development of the business case, through to the monitoring of outcomes delivered by the service or to end of the useful life of an asset. It involves options appraisal and the critical 'make or buy' decision as well as the sourcing of the supplier and negotiation and management of the commercial agreement. The procurement cycle includes robust monitoring and evaluation of service providers within the marketplace to ensure continuous improvement and the achievement of value for money.

The procurement of commissioned services is based on specifying and securing high quality provision with identified priorities of need to meet the outcomes for children and young people.

In the context of the procurement process, obtaining best value and value for money means choosing the option that offers the optimum combination of whole life costs, desired outcomes and benefits that meet our requirements. This is not the lowest initial price option and requires an assessment of the ongoing revenue and resource costs as well as any initial capital investment.

4. Organisation and Resourcing of Supplier Relations

Supplier Relations is part of the Finance division, with overall responsibility to facilitate the delivery of value for money through good procurement and commissioning practice across the Trust and in schools whilst mitigating operational, commercial and compliance risk.

The Supplier Relations team develops and monitors the supply routes of goods and services to the Trust and schools and ensures that the delivery of these goods and services to stakeholders is not only compliant with the requirement of each individual project, but also with regulations and standing orders from both external government bodies and the internal contract standing orders <http://aspire/Resources/Pages/workplace.aspx> and financial regulations.

The Supplier Relations team must be involved in all procurements where the contract value exceeds the limit defined in iNeed <http://achieve/Resources/Pages/workplace.aspx> and as appropriate on procurements of lesser value according to the strategic risk of the procurement and the capability of the procuring department. Where the Supplier Relations team does not lead or is not directly involved in a lower value project we will provide advice and support as necessary.

The role of the Supplier Relations is to:

- Support schools in securing value for money by offering Trust and regional procurement frameworks and encouraging them to access the procurement and contract support available from the Trust;
- Ensure compliance with all legislative and best value requirements to enable the Trust to provide effective and efficient services;
- Raise awareness of the Trust's value for money obligations and ensure efficiency targets are achieved through good procurement practice;
- Encourage all staff to utilise the Supplier Relations team's specialist procurement and commissioning expertise and embed improved procurement process and practice that demonstrate transparency, probity, fairness and consistency to all providers, as well as minimising risk and having a positive impact on service delivery;
- Take a long term strategic view of procurement across the Trust based on performance measured by defined key performance indicators;
- Encourage a culture within the Trust based on the core values of working together, continuous improvement, openness and accountability;
- Develop a Trust wide view on contract performance and support the effective use of management information;
- Provide support to departments with contract monitoring that focuses on clarity of expected outcomes and concentrating on quality and customer satisfaction, not just price;
- Develop a customer focused service provided by skilled procurement and commissioning professionals who demonstrate a passion for providing best practice.

5. Procurement Policies and Procedures

There are two sets of rules that govern how the Trust procures supplies and services:

EU Procurement Directives

The EU Procurement Directives preside over the Trust's iNeed Procurement Procedures and Contract Regulations. They apply to all public service organisations and set out procedures for the award of contracts above set financial thresholds. Their purpose is to open up the public procurement market place to ensure free movement of goods and services throughout the UK.

iNeed Procurement Procedures and Contract Regulations

The Trust's iNeed procurement policies and procedures are detailed on the intranet.

<http://achieve/Resources/Pages/workplace.aspx>

Their purpose is to support the Trust in delivering its procurement and value for money strategy.

The Trust's Contract Standing Orders form the core of the procedures. These are the mandatory rules with which all Trust officers and cost centre managers must comply. They are an essential component of our system of internal controls and should provide a transparent audit trail. These procedures exist to protect the Trust's interests and those of its staff, as well as ensuring the Trust delivers its procurement strategy.

6. Procurement Strategic Themes

The key priorities for the Supplier Relations team over the next three years are:

1. Providing Leadership & Building Capacity
2. Partnering & Collaboration
3. Providing a Customer Focused & Responsive Service

1. Providing Leadership & Building Capacity

Strategic Objective – Senior management are committed to ensuring procurement excellence across The Learning Trust via strategic management and adequate resourcing.

The Trust has in place a clear accountability structure for procurement practice and we plan to build further on the good foundations already in place to improve our capacity and performance.

To develop existing policies and practices to promote, develop and deliver best procurement practice the Trust needs to ensure that the corporate procurement strategy is adopted and owned by senior Trust managers and that its implementation is regularly reviewed.

2. Partnering & Collaboration

Strategic Objective –
Partnering: to deliver better services through the creation of sustainable partnerships between the Trust, suppliers and the 3rd sector to commission and improve outcomes for Hackney learners. Stakeholders and partners will be engaged at an early stage of the commissioning process in order that we secure innovative, effective and fit for purpose service provision.

Collaboration: to obtain better value by working with other public service organisations at local, regional and national level to combine our buying power and benefit from economies of scale.

The Trust works collaboratively on a local, regional and national level where appropriate. A number of contracts have been procured in collaboration with London Borough of Hackney and Homerton PCT and we participate in numerous Office of Government Commerce (OGC), London Contracts and Supplies Group (LCSG) and Essex Hub contracts.

Supplier Relations will continue to support the activities of these collaborative groups and utilise their contracts where there is a demonstrable benefit to the Trust and we will ensure any tenders we run are open for use by all public sector partners. Supplier Relations shall manage the tensions between the need to meet efficiency targets, which are often best realised via aggregation of spend and increased economies of scale achieved through consortia procurement, and the responsibilities we have to the local business community and the drivers of the government's sustainability agenda.

We will also work with Capital Ambition, London's improvement and efficiency partnership to standardise processes and performance measurement indicators as appropriate so as to facilitate benchmarking and meaningful information sharing between Authorities.

We shall continue to develop the relationship between the borough's commissioning agencies, to map our commissioned service provision and create a shared vision of our integrated and complementary services for Hackney's residents and learners. We will work in partnership with the third sector and its representative bodies in order to build capacity and develop sustainable provision within this sector that enables the Trust to deliver its priorities and objectives.

3. Providing a Customer Focused & Responsive Service

Strategic Objectives – Supplier Relations to be a customer facing service that deals with all stakeholders with respect and strives to exceed expectations.

The Supplier Relations team will continue to provide a comprehensive, customer focused procurement service to schools and will increase the profile of Supplier Relations with regular attendance at head teacher conferences, bursars' forums and schools forum when appropriate. We will work closely with the school business analysts in the Finance team to develop and deliver on a sustainable value for money and efficiency program for each school.

The Supplier Relations team will proactively work closely with other Trust departments and to ensure the function is relevant to and adding value to the Trust's wider agenda.

For commissioned services the balance will shift from operational contracting to broader more strategic commissioning projects and the contracting activity shall be embedded as a wider organisational process that fully integrates the function with the service operations to deliver desired outcomes.

Supplier Relations shall be the centre of excellence on procurement and commissioning knowledge and be the vehicle that delivers more than percentage contractual savings.