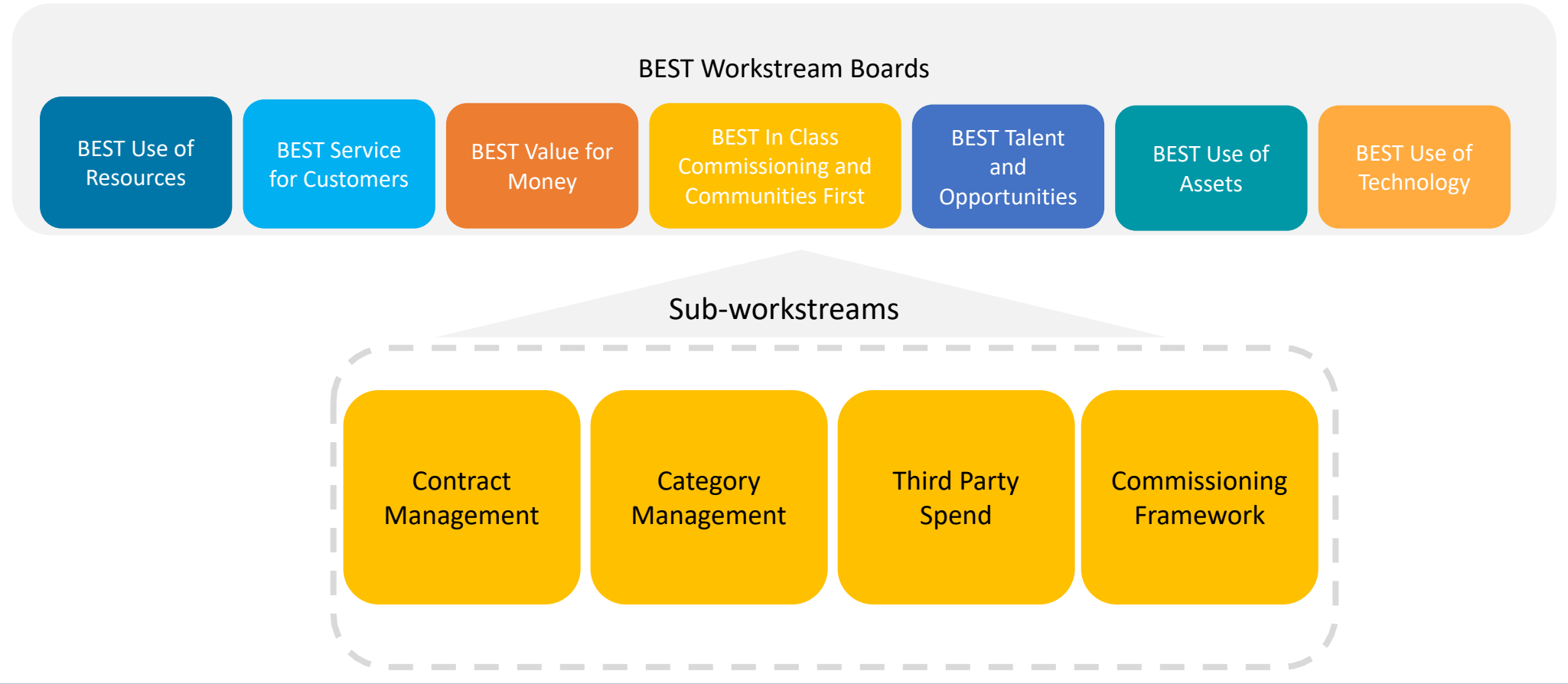




Corporate Services and Economic growth Overview and Scrutiny Committee Best In Class Commissioning Workstream spotlight

Best in Class Commissioning within BEST

This workstream aims to develop a new approach to commissioning and procurement which will improve the quality of public services in Northumberland, involve more people in how they are designed and delivered, and manage spend with suppliers with an increased commercial lens.



Contract Management –Progress to date?

Definition and Objectives

- **Definition:** Establish a central resource to support good contract management to ensure our suppliers provide and the Council receives contracted services and supplies.
- **Objective:** Embed a sustainable, consistent Contract Management approach, supported by toolkits, training and resources, to ensure that cost reductions remain locked in during the lifetime of contracts and that suppliers deliver ongoing value.

Benefits of Contract Management

- Improve **value/benefits realisation**.
- Improve **supplier performance**.
- Improve **services** to our community.
- Improve **control** on spend and variations to contracts.
- Drive **innovation** and continuous **development**.
- Mitigate supply **risks**.
- Increase **social value** impact.

Progress to date

- Recruited a **Contract and Supplier Relationship Manager**.
- Policies and documentation reviewed and **improvements identified**.
- Live contracts categorised into **Strategic, Tactical and Operational**.
- **Action plan** developed and change underway.

Effective Contract Management



Contract Management Approach

In undertaking Contract Management, the activities required will always be proportionate, taking into account contract outcomes, contract value, contract complexity and risk.



Category Management – What is it, Why do we need it and Progress to date?

Definition and Objectives

- **Definition:** Establish a strategic approach that involves grouping similar products or services into categories and managing them as a single unit. It is a systematic and collaborative process that aims to optimise the procurement of goods and services within each category to achieve maximum value for an organisation.
- **Objectives:** Develop and implement a category management approach across the Council.

Benefits of Strategic Category Management

- Increase **value**.
- Improve **supplier performance**.
- Improve **collaboration** and **cross-functional working**.
- Improve **transparency**.
- Improve **control** on spend.
- Drive **innovation** and continuous **development**.
- Mitigate supply **risks**.
- Increase **social value** impact.

Progress to date

- Developed a **new category structure** for the procurement team to manage.
- Revised **Job Description** for strategic category managers.
- Produced a **new category strategy template** to support new category strategies.
- Commenced **pilot to develop ICT category strategy**



Third Party Spend Review – Objectives and Progress to Date

Objectives

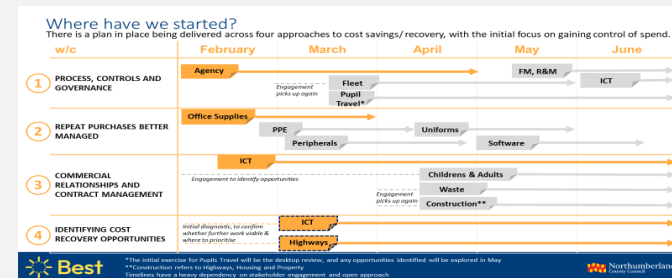
- **Identify priority savings opportunities** and implement targeted changes to contractual relationships, commissioning & management of services and purchasing processes to enable the realisation of recurrent third party savings across the Council.

Benefits

- Reduce of Council **expenditure**
- Improve processes to create **efficiencies**
- Improve knowledge of **financial management** across the Council – consistent approach and clear tracking of savings
- Update policies, processes and governance and associated communications to create improved **awareness**.
- Establish consistent **monitoring** to ensure policies and processes are being followed as set out

Progress to date

- **Procurement efficiencies of £2.2m achieved by Q3 in 2023-24.**
- **Agreed £418m addressable spend** that the Council can directly influence/control.
- Analysed the data and **engaged with relevant stakeholders across the categories** to co-develop a long list of opportunities.
- **Commenced implementation across four key themes** of specific category opportunities:
 - Process, Controls and Governance (Review of Agency spend is underway)
 - Review of repeatable purchase spend (office stationery, PPE and ICT Peripherals underway)
 - Commercial relationships and contract management (ICT underway)
 - Identifying cost recovery opportunities (Highways and ICT underway)



Commissioning Framework – Objectives, Progress to Date, and Benefits

Definition and Objectives

The **Commissioning Framework** will provide a strategic approach to both commissioning and decommissioning. It will:

- Provide a robust and commercially minded methodology to ensure that **good outcomes, value for money** and **social value** are achieved from all decisions to spend money with third parties.
- Blend **customer-centric engagement principles** with the Council's **Communities First approach** to tackling inequalities.
- Ensure the **assets and resources of communities** are considered in service design, as well as specific needs.
- Ensure that all **political, economic, social, technical, legal and environmental factors** are considered within the approach.

Progress to date

- Conducted Desk **research**.
- Commenced **stakeholder engagement** – see the [following slide](#) for greater detail.
- Developed the **delivery plan**
- Drafted skeleton **Commissioning Framework documentation**
- Drafted skeleton **training content** to create a common understanding of commissioning and ways of working across the organisation.

Benefits of the Commissioning Framework

- Aligned language and clear **vision and principles for Commissioning** that apply holistically across the organisation.
- Greater **collaboration with local providers and community led organisations** to explore alternative commissioning models (Communities First).
- Clear understanding of **roles and responsibilities** and how each persons' role fits in the end-to-end process, with the opportunity to collaborate more to share best practice and knowledge across the council and with external providers.
- Greater **transparency across the organisation**.
- Increased **Value for Money**.
- Tangible next steps to move towards the future vision for Commissioning.

Commissioning Framework - Stakeholder Engagement

This workstream is not about developing a deliverable – it is about taking relevant stakeholders on the journey with us and giving them the opportunity to shape the future.

Cross-organisation Engagement



33 people from across the organisation came together for half a day to provide their insights

As part of the BEST In Class Commissioning workstream, we have been devoted to taking relevant stakeholders on the **journey with us** to understand and **embed the change** that we want to implement and to giving them the opportunity to shape what the future looks like.

Northumberland Supplier Engagement Event (1st March 2024)

What is the most attractive thing about working with Northumberland County Council?
78 responses



80 Northumberland based supplier representatives attended the event held on the 1st March. The supplier event included **how to find, bid, and contract with the Council**, explained **social value** providing examples, as well as allowed for two way engagement such as the question and response output to the left.