

Central
Bedfordshire
Council
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**TO EACH MEMBER OF THE
CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**

15 January 2015

Dear Councillor

**CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE - Tuesday 27
January 2015**

Further to the Agenda and papers for the above meeting, previously circulated, please find attached the following additional report(s):-

(i) Supplement 1

3 - 6

To receive an update on the NEPRO project.

Should you have any queries regarding the above please contact Scrutiny and Policy on
Tel: 0300 300 4193

Yours sincerely

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**NEPRO Update for Corporate Resources OSC
Central Bedfordshire Council**

CORPORATE RESOURCES OVERVIEW & SCRUTINY - 27th January 2015

**PROCUREMENT OF SPECIALIST PROFESSIONAL SERVICES -
UPDATE**

Advising Officer: Deb Broadbent-Clarke, Director of Improvement & Corporate Services.

Contact Officer: Paul Meigh, Chief Procurement Officer - Improvement & Corporate Services.

Purpose of this report: To provide an update on the implementation of a new procurement arrangement within the Council for the supply of Specialist Professional Services including opportunities for enhancing service delivery.

1. Overview and Scrutiny Comments/Recommendations

- Consider the update below and comment as appropriate.

2. Background, the case for change

During an average financial year, the Council procures specialist professional services to the cost of some £4m. These services are necessary to support the Council's core business and cannot be provided on a cost effective basis in house.

A report to the Executive on 22nd April 2014 highlighted the potential for a revised approach to the engagement of such services in order to ensure the Council conforms with procurement rules and to deliver efficiencies.

A more robust process was recommended, based on a consistent approach to defined business cases and output specifications. Various options were considered to manage the Council's spend in this area and it was agreed by Executive that an independent broker organisation would be commissioned in order to secure a single route to market for such services.

The greatest cost saving to the council is by avoiding spend altogether, but where it is necessary NEPRO Ltd was identified as the most appropriate organisation for the Council to work with and a contract with this organisation has been agreed and signed.

NEPRO was established in 2012, by the North East Procurement Organisation (NEPRO) as a nationally available solution for public sector organisations. The organisation works with many local authorities and other public sector bodies in order to act as the first point of contact for the commission and supply of external services. The organisation, which is an independent and private company, is able to both directly award services or conduct mini competition exercises for the provision of specialist professional services on behalf of the Council.

NEPRO services are accessible to all local authorities. They have a wide range of suppliers registered with them, offering services in a variety of areas including for example Construction, Design, Engineering, Facilities Management, Translation and Interpretation.

By acting as the single broker of such services on behalf of the Council, NEPRO are able to:

- Provide a simple and consistent route to the market.
- Ensure compliance with procurement and contract management guidance.
- Offer enhanced management information.
- Generate savings through avoidance of duplicated activity, negotiation on contract costs and by demand management.

3. Progress to date

A project implementation group including representatives from across CBC was established to support implementation of the new approach to procurement of specialist services during the summer of 2014.

The launch of the on line system included detailed guidance from the Council's website and was backed up by extensive management information and training.

Implementation has been successful and individual Directorates and services have been exploring and accessing NEPRO to ensure that the services on offer are best able to support their needs and that appropriate suppliers are registered in order to be engaged.

More than 500 officers are currently able to access the on line services and a larger number are expected to be given access in the longer term in order to provide additional flexibility to service areas.

In agreeing our working arrangements with NEPRO, our Legal Services have refined the standard framework agreement to ensure that we are fully covered from an indemnity and liability perspective.

As at the end of December £933k spend on Specialist Professional Services has been sourced through NEPRO (£332K Revenue - Non HRA, £73K Revenue - HRA and £528M Capital Orders.

Efficiency savings are being delivered and Directorates are currently forecasting to achieve the full £202k saving which is the NEPRO element of the £1M procurement savings target detailed in the 2014/15 Medium Term Financial Plan. This is regularly reviewed by the Efficiency Implementation Group.

4. Opportunities for Enhancing Service Delivery.

One key objective is to drive higher volumes through NEPRO as the preferred route to market in order to maximise the benefits to the Council.

An ongoing programme of workshops and management team presentations is being rolled out so that those involved in commissioning specialist services are able to better understand the NEPRO offering and how to raise requests.

A further objective is to increase the proportion of competed commissions as opposed to direct hire instructions. Competed exercises are expected to drive greater efficiencies and through engagement with Directorates and services the benefits of this approach will be emphasised.

Monitoring and evaluation of the use of the NEPRO route to market is also underway by a number of service representatives in order to understand whether there are underlying issues about understanding or awareness of the new approach.

Improved management information reports are under development. These will give a comprehensive account of where spend is taking place. The reason for the commission is also being tracked in order to enhance our ability to conduct analysis about the rationale for engagement of Specialist Professional Services, and challenge as appropriate.

A review of approved suppliers will be actioned to remove from CBC systems those that have no live contracts nor spend for 12 months to encourage the use of NEPRO. Equally new suppliers will not be added to CBC systems if the service required can be sourced through NEPRO.

CBC is also in the process of encouraging existing suppliers to register with NEPRO to assist quicker engagement moving forward. In addition a local supplier event is being planned to engage local and SME specialist suppliers.

A review of the current billing approach is also required to identify options for a consolidated billing process to minimise SRM receipting and volumes of invoices.

5. What are we predicting will happen as a result.

Experience has shown us when implementing the original temp/agency contract with Carlisle Management Services (Guidant), that initial use of the contract was low and that a number of measures were needed to be implemented to encourage use.

With the implementation of measures described in this report we expect throughput volumes to increase and to meet and exceed the original £4M target.

In addition we predict an increase in the numbers of requests adopting the mini competition approach.

Both of the above will drive increased levels of savings for CBC.

An increase in local SME supplier registrations will also be achieved following the planned supplier event.

6. Conclusion and next Steps

CBC's NEPRO Contract Manager and the NEPRO Service Optimisation Group will progress the opportunities for enhancing the service delivery as detailed above noting the comments and observations of the Oversight and Scrutiny Committee.

Appendices - None

Background Papers - N/A