

Fife Council Procurement Transformation Programme

Annual Progress Update 2020



Working in Partnership with



Fife Transformation Programme

Scotland Excel were delighted in 2018 to be appointed as partners in the Fife Transformation Programme.

We firmly believe that working closely with Fife Council to harness our collective skills and experience was key to programme success.

The second year in our joint journey is complete and we have achieved so much together, as evidenced within this report. But this is not the end of the transformational journey for Fife Council. At the heart of Scotland Excel's original proposal was supporting Fife Council to develop capacity and capability to complete the final year of their journey themselves.

The foundations have been put in place over the first two years of the programme and the initial financial and non-financial benefits have been achieved. Work continues within Fife Council to deliver a sustainable procurement future. We will continue to provide support, encouragement and advice as part of the council's membership of Scotland Excel.

Retaining the skills and knowledge within the public family is at the heart of our programmes and this will continue to develop further in future years. I am delighted to say that this ethos provided early wins for this programme and multiple councils have now benefited from the lessons and experiences derived from the Fife programme.

I'd like to thank the senior leadership team within Fife Council for their decision to initiate the programme and their support throughout. I'd also like to thank the many people within Fife Council, other councils and my own organisation who all contributed to this wonderful effort.

Julie Welsh
Chief Executive
Scotland Excel





Introduction

Welcome to Scotland Excel-Fife Council Transformation Programme 2020 Update Report. It has been a productive two-year Programme which has achieved all of its aims and objectives in laying the foundations to enable sustainable ongoing change towards a successful procurement function.

The Programme was created following a request from Fife Council to Scotland Excel to support the organisation's Commercial Excellence theme as part of its Enabling Change transformation programme.

The original proposal put forward by Scotland Excel was created to meet the needs of the organisation whilst also prioritising knowledge transfer to Fife Council staff. The challenges highlighted regarding the capacity and experience of the procurement team was fully recognised and underpins the approach that has been taken to developing team capability.

Scotland Excel also recognised the need for a robust return on investment for Fife Council. The desire was to achieve the identification of financial savings of £16m over a three-year period, with the current pipeline of opportunities in excess of £8,313m for in year savings and benefits delivered verified as £8,015m meaning the programme has achieved this target with a total of £16,346m with the first two years of the programme.

The proposal and subsequent programme were created with these aims at the centre and Scotland Excel is confident it leaves the foundations in place for the remainder of the programme for Fife Council to achieve all of its sustainable transformation goals.

The delivery of this programme has included a virtual resource from Scotland Excel, supporting the development and delivery of various workstreams such as: The Competency Framework, Indexation Policy, Contracts Segmentation Tool, Stakeholder Engagement Strategy and elements of Knowledge Transfer.

What's in this report?

This report aims to provide an overview of Scotland Excel's results , including:

- Overview of the Fife Council Transformation Programme over the two year period
- Progress towards the identification of £16m the financial savings target.
- What we have achieved and its impact
- Recommended areas of focus for Fife Council to continue its journey

Programme Overview

The Scotland Excel Programme team were fully embedded within Fife Council in September 2018.

During this period, the team met with the Central Procurement Unit team (CPU) as well as a sample of Senior Stakeholders (including Councillors) within the organisation with a view to understanding the current landscape and the standing of procurement within the Council. These were formal, qualitative interviews that subsequently allowed us to conduct analysis to provide an output.

This provided a valuable insight and a 'temperature check' in terms of the starting position for the programme.

A summary of the output from the interviews is provided below:



56 semi-structured interviews with Procurement, Senior Stakeholders and Councillors

Procurement Team



1/3 want to change SILO culture



73% believe the services have a negative view of Procurement

Senior Stakeholders



83% expressed a negative view of Procurement



75% discussed areas for potential savings

"Second most hated team after Audit"

"Bunker Mentality"

"We are isolated islands that talk to each other occasionally"

In August 2020 prior to the Scotland Excel team completing its two-year stay with Fife Council a comparative exercise was undertaken to gather feedback from the CPU and a sample of Senior Stakeholders (including Councillors) by way of an online survey.

The analysis highlighted that there are still areas to consider for further improvement and continued growth, but things have significantly improved from the 2018 analysis. It was encouraging to see the switch between mostly negative language in 2018 to mostly positive language in 2020.

A summary from the output of the survey is provided below:



25 survey responses from Procurement, Senior Stakeholders and Councillors

Procurement Team



50% feel that the team is under resourced



54% believe that the Organisation values procurement now

Senior Stakeholders



60% have seen an added value from the Procurement team over the last 2 years



70% feel that the Procurement function addresses their departments specific purchasing priorities

“Much better connected to the services than in the past”

“Much improved over recent years”

“Very approachable and knowledgeable”

“All levels of the team communicate well”

“Improving both in professional and image terms within the Organisation”

The programme itself was made up of 13 individual projects that have been designed to contribute to the overall aims.



A Project Brief and a Project Plan were created for each of the 13 projects and signed off by the Commercialisation Board



The Scotland Excel Programme team have continued to report progress against the plan on a monthly basis, and individual project closure reports have been accepted.



Nick Hyde
Programme Manager

Commercial Leads



Ken Moncrieff



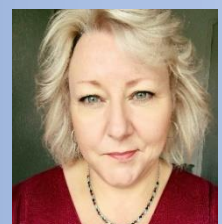
Laura Weir



Rhonda McKay



Richard Bridgen



Sharon Sinclair



P1 Effective Stakeholder Management

This project was designed to improve stakeholder relationships and to formalise a strategy for managing those relationships. We have made significant progress to date, achieving all key deliverables including:



Stakeholder Engagement Strategy

This is a first for the team to address feedback received from both the Corporate Procurement Unit (CPU) and stakeholders across the wider Council about the way CPU engages with its stakeholders.



Internal & External Stakeholder Maps

CPU now understand who their stakeholders are across the Council. Enabling understanding of stakeholder power, interest and key drivers to now ensure procurement is fully aligned with services and Fife Councils goals and objectives. The stakeholder maps will be reviewed and updated regularly to ensure they remain relevant



Matrix Prioritising Key Influencers within Stakeholder Groups

An analysis exercise was undertaken to segment stakeholders into different priority groupings in relation to procurement activity. Ensuring engagement efforts are targeted where they have the greatest impact and benefit.

As well as CPU now understanding who their stakeholders are, they also understand the priority of each stakeholder in relation to procurement activity. Allowing the team to engage each stakeholder accordingly, in line with the suggested engagement strategy.



Engagement Plans

Engagement Plans have been created for each stakeholder with key activities planned. As an example: the introduction of a Strategic Update Meeting, whereby Category Managers meet with identified stakeholders to present key procurement information in the form of a dashboard. Facilitating a discussion at strategic level and forming closer working relationships.



A Set of Tools to support the delivery of the Stakeholder Engagement Strategy

All tools and templates are now saved on Sharepoint and are being utilised by the team.

P2 Developing the Procurement Team

This project was designed to develop the skills and knowledge of the CPU (DPA development is captured under P13). We have made significant progress to date, achieving all key deliverables including:



Procurement & Commercial Improvement Programme (PCIP)

The CPU were already underway with preparing for their (PCIP) and, by working together with Scotland Excel, successfully enhanced their overall score resulting in an improved banding under the public-sector wide PCIP which measures the effectiveness of the Procurement function.



Role Profiles

A review and update of role profiles was completed in conjunction with HR and communicated to the team. This provided formal clarity on the requirements of each role type within the CPU and expectations of colleagues.



Scottish Government Procurement Development Framework

The CPU were supported in the completion of the Scottish Government Procurement Development Framework. This enabled each colleague to self-assess themselves against a range of competencies with pre-set benchmarks. As a result, a skills gap analysis was produced, highlighting the top areas of development opportunities within the CPU and a knowledge transfer programme was delivered to address the gaps, as detailed below.



Procurement Knowledge Transfer

Following completion of the Development Framework, a development plan was compiled to address competency skills gaps. In addition to this, several competencies have been addressed through specific projects themselves, e.g. Contract & Supplier Management as part of P9.

In total ten competencies have been addressed through specific Knowledge Transfer Sessions with over 300 attendances across all the sessions. *Please note:* this activity was replicated for the DPA network and an update is provided under P13 in this report.





Scottish Government Procurement Development Framework – Annual Review

Following completion of the Knowledge Transfer Sessions and prior to the end of Year 2 of the Programme, the team completed the Procurement Development Framework again and an analysis exercise was undertaken to compare the results to identify improvements:

Competency	2019 Result (% scored below benchmark)	Improvement	2020 Result (% scored below benchmark)
Negotiation	65%	+22%	43%
Sustainable Procurement	71%	+3%	68%
Project & Programme Management	21%	+12%	9%
Risk Management	18%	0%	18%
Market & Supply Chain Analysis	14%	0%	14%
Legislation	25%	+2%	23%
Contract Law	18%	+4%	14%
Commercial Acumen	61%	+22%	39%
Tenders	8%	+3%	5%
Procurement Tools & Systems	18%	+13%	5%
Contract Management	39%	+3%	36%
Supplier Management	18%	+9%	9%
Procurement Strategy & Policy	21%	+12%	9%
Performance Management & Measurement	29%	+6%	23%



Commercial Leadership and Management

A Fife specific programme of learning for procurement staff on Commercial Leadership and Management was identified as a priority and was completed in 2019. There were 6 Fife Council staff enrolled in the programme, who all passed.



Efficiencies and Improvements

Working together with the CPU, we identified efficiencies and improvements, including actions to reduce the number of email quotes carried out by the team as well as reducing the time spent on processing requisitions. We have also clarified procurement thresholds and processes to improve the way that the team undertake tendering activity.

Additional Achievements



Contract Segmentation Tool

A Contract Segmentation Tool was built and tailored to Fife CPU. This allows Category Managers to segment contracts based on a variety of factors which they can then use to allocate and manage team resource to ensure capacity is maximised.



Performance Management

As part of the project plan, we reviewed the current performance management practices within the team and put forward suggested improvements to ensure a consistent approach. In addition to this, we assisted in the creation of an Activities Tracker template to be used as the basis for 121s and in the collation of first draft completions of the tracker from the team.

P3 Category A and Category C Optimisation

This project was designed to explore optimisation of spend within Categories A & C to deliver efficiency savings.

Initially this project focused on analysis of Spend Data, Contracts Register and Service Area Spend allocations.

Following the initial analysis several workstreams were identified as having the potential to optimise spend for commercial benefit. Each identified workstream has been developed within a Contract Opportunity Briefing Note (COBN) and validated with Category Managers, Client Services and Finance partners.

Following initial assessment, the annual savings opportunity for these workstreams is circa **£960,147.00**



Workstreams Delivered to Date

Workstreams that have been delivered and the benefits realisations being tracked will result in an anticipated annual saving of **£601,623.00**

The table details are procurements and projects included in this figure:

Fife 042	Installation of Cremators & 10 Year Maintenance Plan	£13,166
Fife 030	Vehicle Conversions	£8,000
Fife 045	OT Adaptations & the Small Repairs Service - currently being managed by Kingdom Housing Association. A review to be undertaken to understand available options and associated costs to establish best value. This is an SLA between Housing & Kingdom so no contract reference number.	£64,000
Fife 066	Provision of Auction Services (JH 1235/11768) Renewal being progressed (or Extension) Sept 19 (this is an income from vehicles and plant that are sent to auction)	£284,592
Fife 009	Glass Recycling - utilising the new decision tree for below OJEU contracts this opportunity seeks to increase annual revenue by 5% by offering the existing suppliers an extension of upto 24 months	£30,869
Fife 048	MFD - contract due to expire, look at next generation, review usage, reduce click and number of colour prints	£132,069
Fife 052	Franking Machines - remove the use of Franking Machine and the purchase of Postage Stamps - introduce Hybrid Mail	£18,015
Fife 074	Supply of Laminated Wall Products under SXL framework 0318 - new supplier & review of spec	£26,912

Fife 064	Provision of Fruit & Vegetables to locations throughout Fife - Direct award 1 year contract implemented (end Aug 20) as previous supplier pulled out last year- savings achieved through improved pricing	£18,000
Fife 073	Sheet & Timber mini competition under Scotland Excel Building & Timber Framework - Best Value pricing competition with new suppliers on the framework	£6,000



Workstreams Progressing within Financial Year 20/21

Workstreams progressing to be delivered within financial year 20/21 will result in an anticipated annual saving of **£177,322.00**

The table details are procurements and projects included in this figure:

Fife 047	DPS Training & Coaching - put in place a DPS as a mechanism for services to purchase training and coaching requirements	£34,656
Fife 050	Platform Lifts, Hoists & Loler Checks Framework (previous contract combining stairlifts/platform lifts expired in 2015)	£33,000
Fife 057	Stairlifts	£22,500
Fife 069	Landfill Leachate Haulage	£13,760
Fife 059	Void Property Clear and Clean	£39,000
Fife 034	Groundworks/Landscaping - contract currently for North & South Glenrothes, Fife-Wide tender to be issued.	£34,406



Workstreams Progressing upon BAU and within Financial Year 21/22

Workstreams due to commence once business as usual continues following the impact of the Covid19 pandemic, and planned within financial year 21/22 will result in delivery of an anticipated annual saving of **£181,202.00**

The table details are procurements and projects included in this figure:

Fife 055	ICT Education Software	£23,000
Fife 043	Supply of Trees, plants & shrubs	£3,990
Fife 058	Supply of Horticultural Materials	£2,002
Fife 053	Domestic Furniture and Furnishings - Commercial Optimisation of SxL Framework usage	£152,210

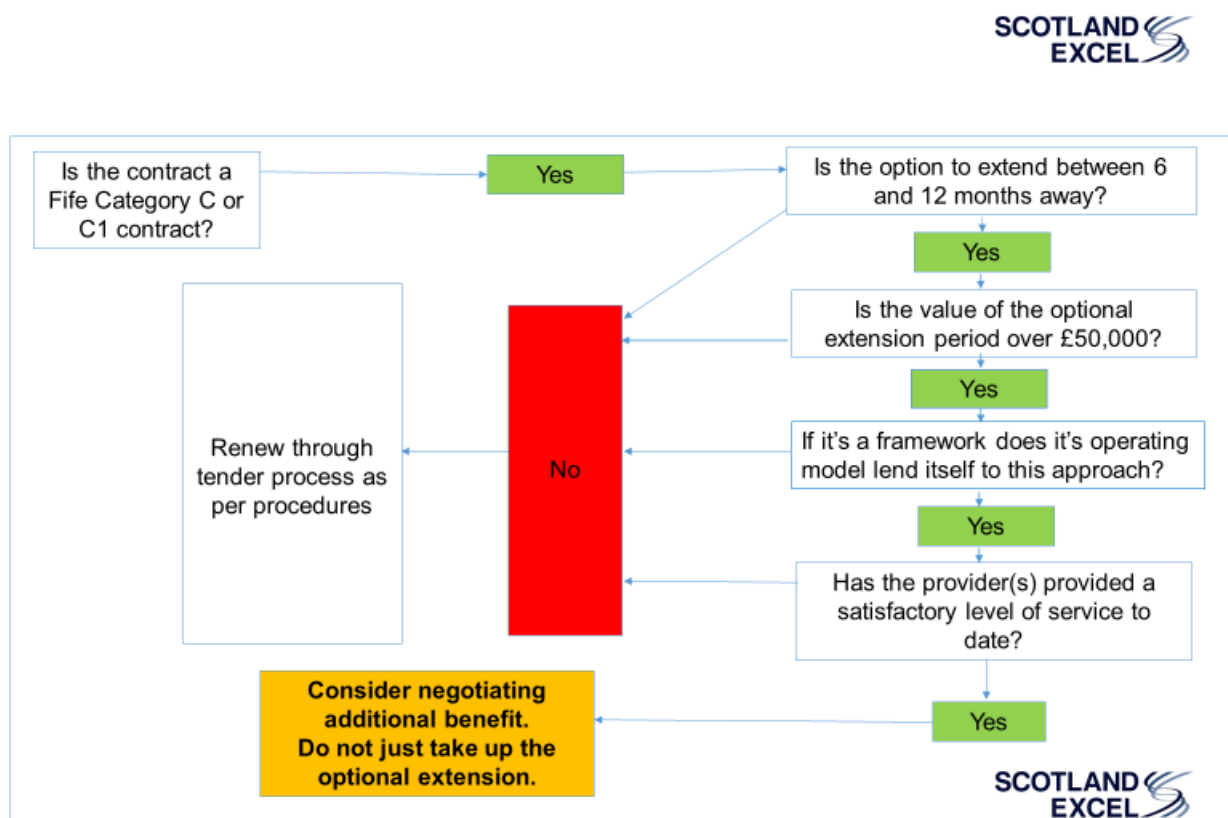
We have also introduced a “Contract Review Decision Process”. This is a tool to assess the risk in negotiating an option to extend, in return for a financial saving over the contract extension period.

Illustration of Tool for Contract Review Decision Process:

Outline

Recognising there is in most contracts an option to extend for one or two further years after the initial two year period. This process sets out to outline some of the considerations that should be taken when considering whether to take that option to extend or whether to re-tender and test the market again.

In essence we shouldn't be taking the options to extend unless there is an increased benefit to the Council.



Fife are the first ever Council in Scotland to formally use this stage of the contract period as a means to adding value and we are continuing to work together with the CPU in its utilisation to deliver savings.

P4 Scotland Excel Care Contracts Optimisation

As with project three this project was designed to ascertain value and savings that could be derived from optimising how care services was commissioned by Fife Council and where better use of the Scotland Excel Social Care framework contracts might also derive benefit.

Engagement has at times been difficult during the Programme with the Health & Social Care Partnership and Children's and Families teams that looks after care for adults and older people and young people in need of extra support, the coronavirus pandemic further impacted on this projects ability to deliver benefit and therefore much of the opportunities have had to be paused and will recommence once business as usual restarts. The initial engagement and progress within this area was slow, however, focus has increased in the second half of the programme with the introduction of a new Finance Business Partner in H&SCP and a new Head of Children's and Families services.

Originally, only a small number of significant improvement opportunities had been identified, but a fresh view has enabled additional opportunities to be discussed. Several of these are growing in importance, due to their ability to have a significant impact in the budgetary challenges the team faces.

Opportunities currently being progressed are:



Adults Care Framework

This was the initial significant opportunity, it looks to create capacity and drive competition within an area where, currently, there is no contractual cover. We have so far: developed a time-plan to take us to contract award; developed a pricing model to assist the placement process; and hosted an early market engagement event. Due to be tendered shortly.



Children's Residential placement cost review

This opportunity will be wide ranging and require considerable cross team working to deliver it effectively with the service teams return to Fife strategy at the heart of the opportunity, alongside better use of the frameworks that support.



Children's Foster Care Commissioning Process Review

A review of the current foster care placement process was undertaken and a possible solution whereby price, skills, suitability and availability could potentially all be brought together in the placement commissioning process was presented to the service. The initial estimate for potential benefit exceeded £300,000 but, due to the Coronavirus pandemic work in developing the solution with the service team stalled.



Grip and Control (version 2) H&SCP and Children's and Families

The introduction of demand management within Social Care potentially following one of the levels contained in the Demand Management guidance note (P11).

In addition work is already underway to consider this process being replicated in Children's and Families service as well.



Scotland Excel Agency Staff Framework

This has been delivered, achieving in excess of £109,000 worth of benefit. Health and Social Care Partnership have adopted the CPU led single source call-off contract from Lot One of the Scotland Excel Agency Staff framework. The supplier is delivering significant additional value over and above the cost savings. This methodology was then replicated with Children's and Families service under Lot Two of the framework. A Contract Opportunity Briefing Note was presented and work with the Procurement team and the service team led to a contract being signed with a similar level of benefits potentially achievable to the initial solution delivered for H&SCP.



Children's and Families Service Commissioning Strategy

In addition to the opportunity based work outlined above the Programme also led, as an addition to the Programme, a short term piece to scope out the considerations and requirements for a Commissioning Strategy to be developed for the whole service.

P5 Construction Contracts Optimisation

Again designed this similar aims to project three and four this project had the specific focus of construction contract and building materials at its heart. Significant progress has been made over the last year, as a direct result of developing relationships with key teams within the Enterprise & Environment Directorate.

The following were identified as potential areas to derive benefit



Windows and Doors (Phase 1)

Significant time was invested across the windows and doors supply chain to deliver a short-term cost reduction from the long-standing incumbent supplier renegotiating the contract which resulted in an anticipated £280,000 savings per annum depending on actual spend at the end of the financial year.



Windows and Doors (Phase 2)

We supported the re-tendering of the current windows and doors contract with careful market cultivation. The tender process offered a new five year contract with benefits totalling £2,954,359 unfortunately this tender process was aborted but plans are being developed to re-run the tender process with expected benefits on this region over the contract duration.



Fleet

We have supported and led a cross council approach to reduce procurement costs/risks/emissions for Fleet, In particular Grey Fleet, which is targeted to deliver in the region of £570,000 per year over a three-year period. This proposal was approved by the Council Executive Team, with the Delivery Plan underway.



Plumbing and Heating Materials (Phase 1)

This opportunity has now been delivered, and in conjunction with the Category Manager accruing savings are being monitored to record and evidence circa £247,000 in one-year worth of benefit.



Plumbing and Heating Materials (Phase 2)

Phase 2 of this opportunity involved Fife Council getting much closer to the Scotland Excel framework letting process, taking a full and active part of the UIG process. This has resulted in specific parts being listed for Fife purposes and is expected to deliver a further £215,000 worth of benefit per year over the four year contract.



Energy Efficiency Contractors

Significant progress has been made on better utilisation of the Scotland Excel framework with Lot 1 now being fully utilised with work ongoing to encourage better use of Lot 2. The opportunity pipeline estimates this to be £82,000 per annum.



New Build Housing Framework

Significant work and considerable effort was spent analysing and benchmarking the new national Scotland Excel framework for affordable housing. Post a benchmarking exercise Fife Council have decided not to utilise the framework at this stage but the opportunity remains and will be reconsidered in the future.

P6 Scotland Excel Corporate Contracts Optimisation

This project was designed to explore optimisation of spend within Category B to deliver efficiency savings.

Initially this project focused on analysis of Spend Data, Contracts Register and Service Area Spend allocations. Following the spend data review, several workstreams were identified as having the potential to be optimised for commercial benefit. Each identified workstream has been developed within a Contract Opportunity Briefing Note (COBN) and validated with Category Managers, Client Services, and Finance partners.

Following initial assessment, the annual savings opportunity for these workstreams is circa **£444,617.00**



Workstreams Delivered to Date

Workstreams that have been delivered and the benefits realisations being tracked will result in an anticipated annual saving of **£351,100.00**

The table details are procurements and projects included in this figure:

Fife 049	Educational Materials - optimisation of SXL framework (including rebate)	£150,000
Fife 065	PPE Rebate	£11,000
Fife 054	Supply of Education and Office Furniture - standardisation of products required - review underway to provide efficient route to market and implement catalogues	£87,500
Fife 061	Payment System Service - potential savings via project (Payment Options Working Group). 3 year extension	£7,100
	Corporate e-Learning Content - new framework to be developed offering efficient route to market	£26,500
	Banking Service (potential savings via project (Payment options working group) - Cost avoidance by not using consultants to develop spec and assist with evaluations & doing this in house instead(saving of approx £50k in total shared with Merchant Services contract as consultant has historically been used for both together)	£25,000

	Merchant Services - Cost avoidance by not using consultants to develop spec and assist with evaluations & doing this in house instead (saving of approx £50k in total shared with Banking Services contract as consultant has historically been used for both together)	£44,000
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Workstreams Progressing within Financial Year 20/21

Workstreams progressing to be delivered within financial year 20/21 will result in an anticipated annual saving of **£93,517.00**

The table details are procurements and projects included in this figure:

Fife 068	Workshop Consumables (include PSOS) (JH 917) Current contract expired. New combined FC contract being looked at (Fleet & PSOS etc) Ongoing project to combine Fleet and PSOS workshops – New Contract to cover both requirements being developed	£4,175
Fife 010	Personal Protective Equipment/Workwear Standardisation including stock control efficiencies (Phase 1)	£47,000
Fife 056	Supply of First Aid Products	£36,851
Fife 060	Supply of Building Materials bringing roughcasting materials within the scope	£5,491



P7 Data Management Review

This project was designed to build a data repository for all contract and supplier related data, to ensure that the Fife CPU team have the capability to analyse that data for the purposes of improving all aspects of the Procurement function including Category Management, Market Intelligence, spend and contract data and contract performance and for providing high quality reports for stakeholders.



Contracts Register & Benefits Tracker

A significant amount of effort was required to obtain spend data, a contract register and a wave plan of future contracts. In initiating these changes, we have been able to improve the tracking of benefits delivered by the CPU, following the introduction of a new Benefits Tracking Tool. This is now being fully utilised and is signed off by the finance team periodically. The tool highlights the value of the good procurement that is increasingly being recognised throughout the Council.



Fife Council Benefits Realisation Policy

This is a first for the Council, designed specifically to be high level to remove traditional circular conversations experienced elsewhere in local government and the public sector. The policy was later reviewed and updated following the first year of operation and now includes more detail, including recognising recurring benefit.



Indexation Policy

Fife Council is amongst the first ever Scottish local authorities to start to build the key cost components and the tracking and management of them into their contracts.



Identification of Savings Opportunities

A pipeline of identified opportunities is in place, totalling some £8,015million. The initial focus, was on cashable revenue budget based savings, followed by cost avoidance, to help towards existing budgetary challenges. The opportunity pipeline has now been transferred to CPU with work to continue embedding the process and ensuring proactive ownership within the team.



Review of Spend Data

The project undertook the review of all directorates spend separately across all four directorates. This was initially carried out to provide spend review reports and seek to assist in the identification of opportunities for inclusion on the pipeline.

P8 Re-Enforcing Procurement Foundations

This project focused on ensuring the principles of a good Procurement function are in place through the establishment and use of Procurement foundations. Ensuring the following documents are not only in place in the short term but used, reviewed and brought to life by everyone in the team



Procurement & Commercial Strategy

It is noted that the journey had already begun, with the drafting of the now approved new Procurement and Commercial Strategy. We have supported this by engaging with the team and creating the Procurement Team Vision (see P10 for the team vision).



Procurement Team Vision

Procurement Strategy and Team vision were treated as two separate tasks with the team vision built into the Procurement Strategy

Vision

A professional procurement service providing an expert strategic and solution-based service which utilises a commercial focus by collaborating with stakeholders and markets, to achieve best value by improving delivery of services and contributing to the Fife economy.

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EXCEL 



Fraud Prevention

Measures have been taken to ensure awareness within the CPU of Fraud Prevention, to this end internal courses on Fraud Prevention and Corporate Fraud have been delivered to the

CPU by the Internal Audit team. As a result, the team now have an understanding of key fraud themes, examples of potential fraud indicators and Fife Council's Governance Toolkit.

Whole Life Costing

Whole Life Costing material and documentation was reviewed and confirmed as robust and is readily available on Share Point to assist with tender exercises that would benefit from utilising a whole life costing methodology.

Category Strategies

New Category Strategy templates have been introduced to the CPU with Category Managers creating individual Category Strategies, to provide key strategic information aiding the planning and execution of these strategies.

The templates seek to bring all of the new process, policy and guidance notes into one place and enable the Category Managers, for the first time, to set out in a clear consistent manner, year by year, how and what they will be doing to ensure the aims and objectives of their Procurement Strategy are achieved. Category Managers are tasked to explain what tools, process, skills and knowledge they will be able to bring to assist the council save money and improve service delivery through the let contracts.

The new Categories Strategies were completed in year one of the Programme and then the Category Managers were supported to undertake the first annual review of their strategies to enable improved processes to be embedded as much as possible for sustainable transformation.

Risk Approach

Scotland Excel's wider team has also been instrumental in taking the Council on a journey around refreshing their aspirational view of risk and reward. As a result, of this significant piece of work, an agreed Council view on risk is in place and a network has been built, enabling ideas and suggestions to be gathered throughout the Council, and considered, in-line with a risks/reward assessment, with opportunities developed and improvements delivered.



Contract Opportunity Briefing Note (COBN)

A process was introduced to enable opportunities to deliver benefit to be quickly and clearly explained through a briefing note. Each opportunity listed on the pipeline will now, for the first time, have a briefing note which seeks to set out the background, methodology, size of the potential saving or benefit and process to achieving this benefit. This then enable colleagues and key stakeholders to engage in the process and work up the opportunity in a collaborative way.



P9 Contract and Supplier Management (CSM)

This project was designed to review current CSM practice and design and implement improvements to ensure a consistent approach, based on best practice. We have made significant progress to date, achieving all key deliverables including:



CSM Guidance Manual

A period of research was undertaken to understand the current CSM practice within Fife Council, together with wider best practice within the public sector. Subsequently, we have created a draft CSM Guidance Manual based on best practice across the sector that has been reviewed and amended initially, based on feedback from a working group of CPU colleagues.



Tools & Templates

A suite of tools and templates were designed to complement the CSM Guidance Manual. These are all saved on Sharepoint and will assist the team in CSM activity.



CSM System

A review of potential systems to streamline the CSM process was undertaken. It was agreed to test PCS-T as a potential system with two members of the CPU and this work is ongoing. Following the testing period, the colleagues will feedback their results to allow a final decision to be made in terms of roll-out to the wider team.



Knowledge Transfer

A series of six Knowledge Transfer sessions were delivered to Corporate Procurement Officers (CPOs) within CPU. These sessions each covered a specific area of the CSM process and the chance for colleagues to ask questions and provide feedback. The aim of this is to provide 'champions' of the process who can assist in the wider roll out of the process when the time is right for Fife.

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P10 Setting the Strategic Direction

To set the strategic direction for the Procurement team and function in Fife Council. To use a refreshed and updated procurement strategy to inform the overall aims and objectives of the Procurement team and to be able to articulate how the team supports the Council achieve its overall aims and objectives. To aid understanding of what the Procurement team is doing and where it will position itself within the Council in future years.



New Procurement Strategy finalised and approved

The actual strategy for procurement was done prior to the engagement of Scotland Excel however the insight provided by Scotland Excel during their engagement with the Council added to the content.

The input also helped coral the existing team and staff from further afield into accepting the need for the strategy and how each role contributes to the aims within the strategy.

The assistance helped clarify the content and the setting of priorities within the strategy and will assist going forward in the continued development of the procurement function within Fife Council.



Procurement Strategy Workshops

The programme co-designed and co-delivered some Procurement Strategy workshops. These were designed to assist the CPU's understand of how their work can contribute to the aims and objectives contained in the Procurement & Commercial Strategy. Specific actions can be taken on a day to day basis to aid its delivery. Emphasis was also placed on how Procurement strategy is aligned to the high-level goals of the wider council.

P11 Demand Management

Demand Management can be an important way for local authorities to manage assets, control expenditure and specify need. As part of the Fife Transformation programme it is planned to review the different methodologies and introduce the most suitable Demand Management practices in the Council.

Demand Management can take many forms ranging from including a specification review stage to ensure they reflect need rather than want, through carrying out asset management and usage reviews to maximise the use of fleet for instance, to the introduction of expenditure review boards where contentious or high value spend is reviewed and approved at the highest levels of the authority. The later, it should be recognised, is only used in extreme circumstances and unlikely to be considered under this project.



Guidance Manual for Demand Management

The main part of this programme was the development and launch of a guidance manual to explain demand management and outline six levels of demand management that can be employed by the council through varying levels of control, education and resource commitment.

Over the length of the programme we also tried and tested varying levels of demand management which then fed into the development of case studies. These case studies and the guidance manual were then launched through Fife's intranet and communication through management levels. These included PPE, the fleet management opportunity, mentioned previously in this Report (P5), which features both cultural change to drive down grey fleet miles and formal demand management within the area of hired vehicles. Also the previously highlighted Grip and Control V2 (P4) opportunities focuses on bringing in a formal process supported by key criteria to drive down the amount of money spent on non-care package related goods and services.

Also addressed within the guidance manual is the process finance colleagues ran at the end of the last financial year.

P12 Benefits Tracking

As stated the programme has delivered a new and improved benefits tracking tool which is supported by the first ever Fife Council Benefits Realisation Policy. Prior to the introduction of these the CPU has traditionally struggled to get the value they delivered recognised and captured properly.

These two key documents and processes now mean the difficult circular conversations about “what constitutes a saving” and “what type of saving”, can be shortened with the use of the agreed classifications within the policy. Benefits can be recorded on the tracker in-line with these classifications resulting in the reconciliation process by finance colleagues becoming quicker and more efficient.

This will allow, in time, Procurement to record and publicise its value in a more timely and confident manner.



100% Programme Total Savings Target Identified

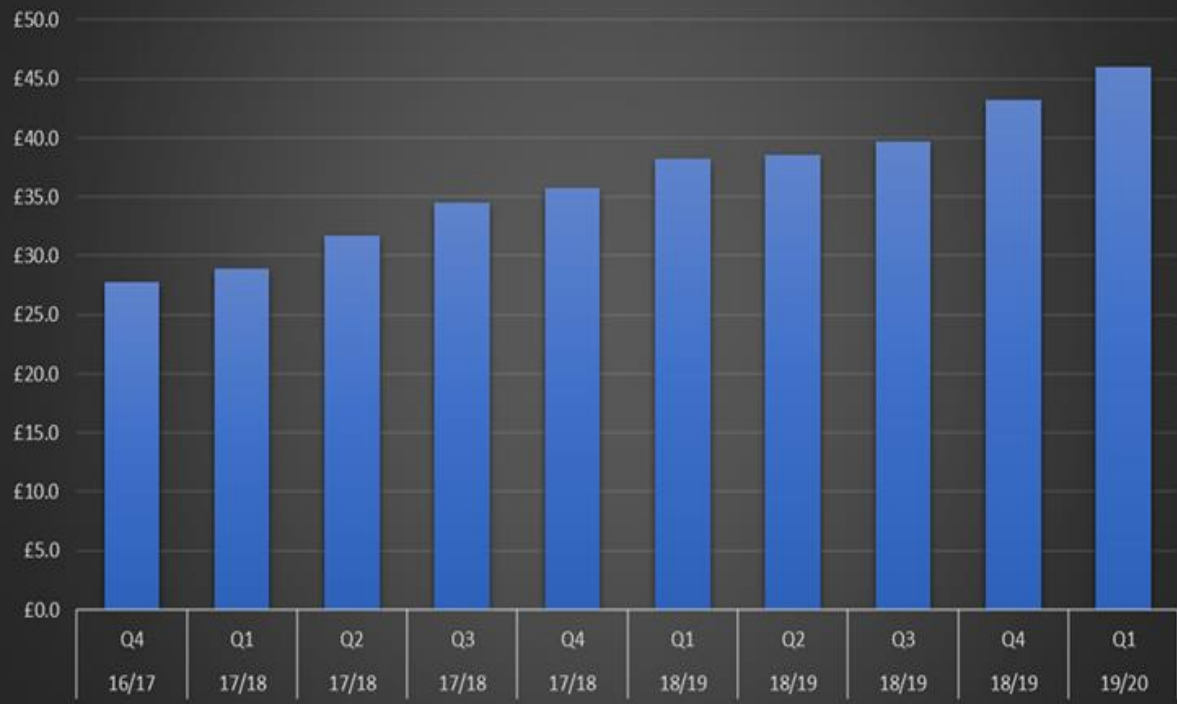
Throughout this programme and this progress report, although addressed in more detail within Projects 3, 4, 5 and 6, the focus has consistently remained on identifying and delivering savings and benefits.

Although not due the latter stages of the overall programme in 2021 as part of the three-year programme approach. Last reporting figures verified £16,364m through delivered and opportunity pipeline data.

Although work is underway to complete the annual refresh of the Category Strategies which will identify further opportunities for inclusion on the pipeline, these should further enhance this figure. Though these figures are subject to change as each opportunity develops through the earlier mentioned Contract Opportunity Briefing Note (COBN) process.

It has also been reported that Fife Council rank number one in adopting the use of Scotland Excel frameworks as this infographic shows:

Fife Quarterly Rolling 12-month Spend £m Via SXL Frameworks



P13 Delegated Procurement Authority (DPA) Review



DPA Register

In the early phase of this project, work was carried out to understand the existing DPA landscape, including spend areas, values and governance. As part of this process, the DPA register has been reviewed and updated, reflecting the current position and details of all those currently holding DPA.



Scottish Government Procurement Development Framework

We have supported the DPA network through completion of the Scottish Government Procurement Development Framework (as we did with the CPU team under P2). Analysis of the results showed areas in which the DPA network require development.



Procurement Knowledge Transfer

The DPA results from the Development Framework were then amalgamated with the results achieved by the CPU and informed the knowledge transfer delivery plan (as part of P2).

Following the attendance, although mixed, on the same knowledge transfer sessions as the CPU the programme re-ran the Procurement Competency Development Framework self assessment. The results of which are:

DPA: Top Self Assessment Scores

Leading & Influencing	85%
Negotiation	75%
EU and Regulated Tender Process	72%
Alternative Routes to Market	67%
Award and De-Brief	64%
Communications	64%
Tender Evaluation	58%
Continuous Improvement	58%
Market & Supply Chain Analysis	56%
Performance Management & Measurement	55%
Financial Management & Modelling	55%
Spend Analysis	53%
Specification Development	53%
Stakeholder Relationships	53%
Budgets	52%
Building Tender Documents	50%
Contract Management	50%
Project & Programme Management	50%
Legislation	44%
Contract Law Terms & Conditions	42%
Risk Management	42%
Supplier Management	37%
Business Case Development	37%
Self-Development	33%
Standards & Conduct	31%
Procurement Tools & Systems	28%
Sustainable Procurement	25%

This then also allows us to identify the top areas for development within the DPA network are:

- ✓ Legislation
- ✓ Contract Law Terms & Conditions
- ✓ Risk Management
- ✓ Supplier Management
- ✓ Business Case Development
- ✓ Standards & Conduct
- ✓ Procurement Tools & Systems
- ✓ Sustainable Procurement

Which are all areas where less than 50% of those with DPA scored themselves below the benchmark on indicated they are less than comfortable in and therefore we recommend some ongoing support.



DPA Support Model

An agreed development plan for colleagues looking to be granted DPA status in the future is now in place and a support model is documented. Agreement has been received that DPA will now follow the same Procurement processes as the CPU and will also adhere to two gateway review process at Contract Strategy and Contract Award stage.

Conclusion

This report evidences significant work and progress in the two-years of the programme and that the key aims and objectives of the programme have been achieved.

The opportunity pipeline content will continue to grow, and confidence is growing within the wider Council that good proactive Procurement can deliver substantial benefit to the Council be working closely with services, senior stakeholders and finance teams the target of £16m can be delivered.

The second and equally important part of the programme of having a sustainable Procurement function is on track and positive achievements have been delivered to date with significant upward scores in the self-assessed competency framework

The building blocks are now in place and good strong foundations have been built to enable Procurement as a function within Fife Council to continue to grow and flourish. Evidence across the public sector shows that transformational change requires continued investment and attention to ensure changes are embedded within the organisation. Fife council are on a trajectory to continued successes and this investment will pay future dividends.

We strongly believe that this project, whilst delivering significant demonstrable savings and benefits, demonstrates to the wider public sector that a public sector led transformation programme is the most appropriate route to take.

Our vision is to provide innovative, transformative solutions for local and national public services across Scotland.

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