

Case Study | Shropshire Council

'Being ahead of the game on procurement continues to be paramount'

Summary

Shropshire Council came into existence on 1st April 2009 following the merger of Shropshire County Council and its five district authorities. It has a population of just under 300,000 and an annual spend of £155M per annum.

The former County responded positively to the National Procurement Strategy (NPS) published by the (then) Office of the Deputy Prime Minister (ODPM) in 2003. However, it decided from the outset that implementing the recommendations was just one aspect of the challenge. Even in 2004, the Council saw procurement as a route to cashable savings and improved service delivery outcomes. Laura Rowley, the Director of Resources was determined to be ahead of the game and invited SPS to advise on what needed to be done to deliver these benefits.

Business Challenge

In 2004 as with many local authorities, there was no dedicated procurement organisation at the Council. Procurement was seen by most people as involving the ordering of routine commodities, while the acquisition of the high value products / services needed for construction, highways and adult social care was seen as being in the remit of service departments.

There was no procurement strategy in place or expenditure information available to enable them to produce a future programme to achieve cashable savings or support the preparation of business cases.



"We were starting from a very low base and I was determined to take things forward rather than simply wait for the new Regional Centre of Excellence to come up with the answers"

Laura Rowley, Director of Resources

Business Solution

SPS Consultancy Services helped to get the Council moving. There was a need to get some short term measures in place, but also plan for the future. Ken Cole who led the SPS work, spent several hours with Laura showing how professional expenditure analysis was undertaken and showing her what to look for in terms of interpretation. *"This was the real starting point as the next time I visited, Laura had produced a series of reports profiling the Council's expenditure and simply asked whether she was on the right track"* said Ken Cole.

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SPS also undertook a detailed analysis of the, then, CPA requirements and produced a briefing policy paper setting out its likely impact on procurement. Much of the SPS thinking is now contained in the proposals for the new Common Area Assessment (CAA) programme where procurement features for the first time.



Following on from this work, SPS produced the Council's first evidence based procurement strategy which connected directly to the Council's main corporate objectives. Many procurement strategies that exist are simply just an aspiration or a localised version of a model one obtained from the Internet. The Council wanted its Procurement Strategy to reflect the its needs and priorities, as well as those of central government.

Once this work had been finished and signed off, the Council was ready to start work. It was able to recruit a Procurement Manager and set up a rolling review of its main expenditure areas with the clear goal of delivering cashable gains.

"The research and direction provided by SPS before my arrival provided a great starting point for me to track down cashable savings. At present, I am currently working on integrating the expenditure previously undertaken by the five former District Councils into the work programme."

Nigel Denton, Procurement Manager

Outcome

Nigel Denton is now Procurement Manager at the reformed Shropshire Council and has been responsible, together with colleagues, for the delivery of £ 5.5 M of cashable gains over 5 years in areas such as IT services and supplies, passenger transport routes, support services and the supply of food.

"I recently met with SPS again to understand where Shropshire Council next needed to look in order to remain ahead of the game and be in a position to meet the future challenges. SPS always provide a refreshing insight into procurement and have proved to be exceptional value for money for the council over the last five years."

Laura Rowley, Director of Resources

Procurement is seen as a main contributor to delivering cashable savings and improved service outcomes and Nigel is now working to ensure that the sphere of influence into the high value spend areas is achieved.

Work does not stop there though for Shropshire Council. The increased efficiency target recently announced in the 2009 Budget, the inspection requirements of CAA, and the widely predicted squeeze on public spending in 2011/12 means that the next work programme is even more challenging.

For more information

Contact SPS on **01784 895040** or
email us at info@sps-consultancy.co.uk