

Lincolnshire's Local Authorities: Multi-Agency e-Procurement

Summary

The National Procurement Strategy sets collaborative procurement as an objective for all councils. However, many councils struggle to convert this objective into reality. North Kesteven District Council, the lead partner for the Lincolnshire Public Sector Working Group (PSWG), has developed a number of techniques and strategies to overcome some of the challenges.

The partnership is currently in the early stages of a project to implement procurement cards (p-cards) across the county. P-cards have been notoriously difficult to introduce in the past, and the partnership is focusing on trying to avoid some of the mistakes previously made by others. Governance and individual relationships are afforded particular attention.

Standardised governance arrangements for Members have simplified the formal elements of collaborating, while an emphasis on working groups and representation has ensured continued buy-in from Members. Additionally, the PSWG took the unusual step of appointing a dedicated partnership co-ordinator to promote collaboration and oversee its implementation.

Procurement cards for Lincolnshire

Since its inception in 2001, the Public Sector Working Group (PSWG) has been a vehicle for collaboration between Lincolnshire's seven district councils, the county council, the police authority, local health authorities and Lincoln University. The partnership now has ambitious plans to introduce procurement cards across the county. Procurement cards are suitable for purchasing low value, low risk goods and services, and the partnership's vision is for a single solution to be used across all participating member organisations. Initial funding is being provided by the East Midlands Centre of Excellence.

The p-card collaboration is currently in its very early stages. For many potential partnerships, governance and formal matters are a particular concern at this stage. The PSWG partnership, however, has the advantage of having a well established governance structure and well formed partnership arrangements. These are essential components of any successful collaboration.

One objective which the p-card collaboration expects to be particularly challenging is obtaining supplier buy-in. David Haycox believes that achieving this is critical for the success of the project.

“Suppliers have to be aware of and be willing to accept purchasing cards for the project to work.”

Individual authorities acting independently have found obtaining supplier buy-in extremely difficult. By collaborating, the project will be able to maximise potential benefits for suppliers, thus increasing the likelihood of success.



Developing the business case

The business case is being developed at two levels, for the collaboration as a whole, and at an individual level for the different participating organisations. Each organisation must decide whether or not it will commit to formally joining the initiative.

The business case is important in order to ensure the financial viability of the project, as well as determining what the critical mass for the partnership will be in terms of participating and what the likely potential spend through the procurement card will be for each partner organisation. Due to the complexity and scale of this undertaking, the partnership decided to commission an external consultant to support the business case development.

Learning from the successes (and failures) of others

Procurement cards have been notoriously difficult to implement in the past. Therefore, the project team is planning to undertake reference visits to speak to and learn from local authorities or other agencies who have already implemented similar projects. For example, the project team has recently visited Nottingham City Council which has been using p-cards since the late 1990's. To find out which other authorities had relevant experience the partnership asked the East Midlands Centre of Excellence, as well as using contacts made at seminars and conferences.

Governance considerations

The Lincolnshire PSWG meets every month to discuss the progress of its projects. North Kesteven, as lead authority, chairs the meetings. Officer e-Champions or heads of IT from each partner agency represent their organisations at these meetings. To ensure that all members of the partnership work and communicate effectively with each other, the partnership took the decision to employ a full-time partnership coordinator.

“You've got to have the right governance structure in place.”

The partnership co-ordinator is responsible for managing the planning and implementation of the different projects and driving them to successful completion. All partners contribute financially towards this role.

“Top level commitment is essential in collaborative working.”

Looking to the future

The NePP has spoken to a number of authorities with experience of collaborative procurement. A common theme among these organisations is that one collaborative project frequently acts as a springboard to more projects. This is certainly the case for the Lincolnshire PSWG. The partnership is keen to build on its existing relationships to identify future areas for collaborative working.

“It is important to be realistic in what you can achieve.”

David Haycox believes that laying the foundation for future collaboration is a particularly important objective to pursue. Having set in place relationships and formal structures, it seems fruitless to use these only once. That said, he considers that it is important that partners remain honest with each other about future commitments and that projects are realistic.

The secrets of successful collaboration

The following points are essential in maintaining a good working relationship between the partner agencies:

- Encouraging full participation by all partners.
- Sharing the management of the programme.
- Each individual partner specifying their success factors and ensuring that these are achieved.
- Outlining a detailed plan for each project highlighting where partner input is required.
- Developing a clear business plan.
- Jointly owning a risk log.
- Ensuring effective communication between partners.

To increase the chances of the success of a project, the operational framework had to be simple and flexible. It also had to take into account that organisations would be at different stages of advancement. Where possible, flexibility was built in to implementation plans to make it as painless as possible for organisations to adopt new processes and systems.



Summary of benefits

The RSe Consulting ROI model identifies cashable savings totalling £1,332,000, non cashable savings totalling £4,261,000 and a qualitative service improvement of 38%, over a period of 5 years from commencement of the project, benefits include:

- Improved service to the public through the provision of seamless services among the partner agencies.
- Increased variety of experience is brought to discussions, and partners can learn from each other.
- Collaborations can serve as a vehicle for receiving greater funding from central government.
- Better understanding of the workings of other local authorities and public sector agencies.
- Greater chance of improved future efficiencies as a result of building on existing collaboration relationships and structures.



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