

Procurement Strategy 2008



HEREFORDSHIRE
COUNCIL

Contents Page

1. Introduction

1.1	Introduction	Page 3
1.2	Commissioning	Page 4
1.2	Purpose of the Strategy	Page 4
1.3	Objectives	Page 5
1.4	Benefits	Page 6

2. Routine Procurement

2.1	General Principles	Page 6
2.2	Purchasing Guidance and Regulations	Page 7
2.3	Consortia and Joint Negotiations	Page 7
2.4	E-Procurement	Page 8
2.5	Purchasing Cards	Page 10

3. High Value/Strategic Procurement

3.1	General Principles	Page 10
3.2	Legal Framework	Page 10
3.3	Tender Evaluation	Page 11
3.4	Partnership Working	Page 11
3.5	Project Management	Page 12
3.6	Performance Improvement	Page 12
3.7	Strategic Procurement Forward Plan	Page 12

4. Risk Assessment

4.1	Risk Management and Insurance	Page 14
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5. Employment Matters

5.1	Consultation	Page 15
5.2	Transfer of Employees	Page 15
5.3	Training and Development	Page 15

6. Environmental and Sustainable

6.1	Environmental Considerations	Page 15
6.2	Sustainable Procurement	Page 16

7. Equalities and Diversity	Page 17
------------------------------------	---------

8. Benefit Card	Page 18
------------------------	---------

Appendix 1	Page 19
Appendix 2	Page 21

1. INTRODUCTION

1.1 Introduction

1.1.1 For the purpose of this strategy the procurement process is defined as:

“The whole process of acquisition from third parties and in-house providers, covering goods services and works. The process spans the entire life cycle from initial concept and definition of business need to the effective management of markets, through to the end of the useful life of an asset or end of services contract. It involves options appraisals and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances”.

1.1.2 From the definition it is clear that procurement embraces the whole of the supply chain from identifying a need to making a payment i.e. the procure to pay cycle is one process.

1.1.3 Procurement is more than just the process of buying things. It covers the whole process from the initial identification of a need for a good service, through selecting a supplier or partner, receiving the goods or service, managing a contract, achieving the benefits expected, to finally disposing of an asset or ending a contract.

1.1.4 Procurement is a critical process for ensuring that the Council meets the needs of the community whilst achieving maximum value for money. The public may not distinguish between in-house services and those provided by contractors but poor procurement can lead to a loss of public confidence in our ability to deliver excellent and cost effective public services.

1.1.5 The Government issued a new national procurement strategy in October 2003 and this was incorporated into the Gershon Efficiency Agenda. The national strategy has a number of key milestones associated with it. The Council’s procurement strategy will keep in step with the expectations of this national strategy and will perform periodic health checks against the progress made in meeting the expectations of the national strategy.

1.1.6 Nine procurement “Centres of Excellence” have been set up around the country to help to develop expertise, capacity and networking within England. Herefordshire Council is aligned with the West Midlands based Centre of Excellence (WMCOE) which comprises the 38 local authorities in the region. The Council works closely with WMCOE and has engaged in a joint assessment process.

1.1.7 The Council must focus upon procurement as a major means of reducing the budgetary pressures it will face in the future. The National e-Procurement Project has outlined the potential cost savings that could be made as a consequence of local authorities modernising their procurement processes. The project recognised that councils need to examine the effectiveness of their procurement, manage their supply chain more effectively, use technology and collaborate more in order to unlock the benefits of effective procurement. The project recognises that it will take time for authorities to make savings as they re-organise service delivery and overcome previous shortcomings.

1.2 Commissioning

1.2.1 Procurement is an element of the commissioning process and any procurement activity must assess where it sits in a wider context. Commissioning is about understanding and anticipating future needs and opportunities, setting ambitions, making best use of resources, working in partnership, building capacity in the market, and monitoring experience and changing circumstances to enable continuous service development. It is a process in which the expertise, skills and knowledge of volunteers and paid employees can be knitted together.

1.2.2 Commissioning falls into four stages: analyse, plan, do and review.

a) Analyse

When analysing, mapping and forecasting both need and supply, the process must take into account national requirements and link with local circumstances. At this point any risks should be identified. This stage is crucial to defining the current position, what improvements needs to be made and how the process will deliver improved outcomes.

b) Plan

This stage requires agreement about priorities and outcomes, being imaginative about how services can be delivered, allocating resources, looking at service design to increase understanding of service costs and value for money.

Planning requires strategic as well as collective decision making involving a range of stakeholders.

c) Do

This stage covers the process of procurement, contracting with a supplier, service delivery and managing and communicating changes. Purchasers and providers need to be clearly separated.

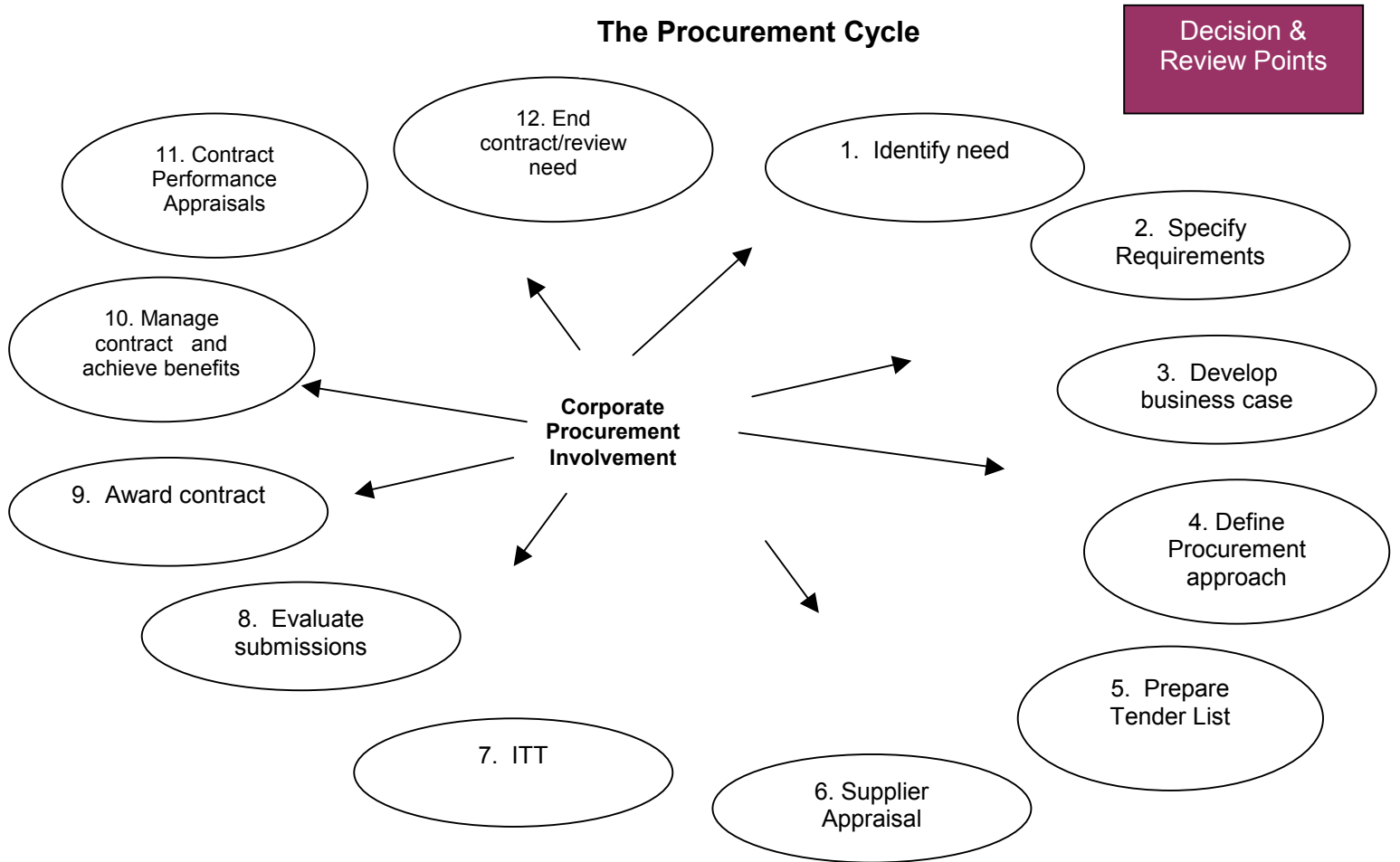
d) Review

Successful delivery must include a review to monitor and evaluate changing need. This stage should use feedback from service users to challenge and scrutinise the process and outcomes.

1.3 Purpose of the Strategy

1.3.1 This document aims to provide a framework for the full range of procurement activity carried out across the Council and ensure that procurement planning reflects the Council's corporate standards and objectives.

- 1.3.2 This will provide an opportunity to co-ordinate current processes and to identify and act on improvements to ensure that best value is being obtained consistently when goods and services are purchased. It sets out areas for strategic consideration and development.
- 1.3.3 It should be noted that this document is not a procurement manual. Best practice procedures and documents are to help develop a toolkit via the intranet available to all staff.
- 1.3.4 Training needs analysis will take place and the most appropriate method chosen to meet these needs.



1.4 Objectives

- 1.4.1 The objectives of this strategy are as follows:
 - a. To evaluate and improve current procurement practices to achieve better value for money and ensure customer/client needs are met.
 - b. To ensure good practice examples and processes are identified and applied consistently across the organisation.

- c. To integrate procurement activities into other strategies adopted by the Council and to ensure that corporate objectives are addressed holistically.
- d. To ensure that current and future procurement activities are planned, monitored and reviewed effectively.
- e. To identify opportunities for working with others, both public and private sector, to widen the scope for maximising purchasing power and VfM and identifying innovation and efficiencies.

1.5 Benefits

1.5.1 In taking this strategy forward, the Council can expect to realise the following benefits: -

- a. Improved value for money;
- b. More efficient procurement;
- c. Consistent, compliant and best practice procurement processes;
- d. Better risk management;
- e. Better project planning;
- f. Closer integration of the Council's overall objectives and business plans; and
- g. Consistent application of the Council's key policies.

2. ROUTINE PROCUREMENT

2.1 General Principles

- 2.1.1 Procurement of low value items by individual budget holders accounts for a significant proportion of the Council's expenditure when aggregated across the whole range of Council services. Whilst flexibility needs to be maintained to ensure that budget holders can respond to their own requirements, there needs to be sufficient co-ordination to allow good practices to be shared, benefits to be accrued for economies of scale and targets and improvements to be identified and achieved.
- 2.1.2 Procurement must be result focussed i.e. meeting the Council's objectives, ensuring customer needs are satisfied and achieving value for money.
- 2.1.3 The procurement strategy notes that the Council welcomes the use of local enterprises and business for the supply of goods and services. Clearly this must be through the use of the

existing procurement framework but the Council will investigate taking steps to provide electronic access to forthcoming tenders.

2.2 Purchasing Guidance and Regulations

2.2.1 The Council's purchasing guidelines are currently contained within Standing Orders and Financial Regulations. These include the contract standing orders for the Council and they govern the way contracts are let.

2.2.2 Adherence to these regulations is mandatory for all Council employees.

2.2.3 Both the Data Protection Act (DPA) and the Freedom of Information Act (FOI) have implications for procurement. Under the DPA we are required to keep personal information private. Under FOI we are required to make non-personal information available to the public. Guidance on these Acts is available on the intranet and from Legal Services.

2.2.4 The primary objective of the Council's Standing Orders and Financial Regulations is to ensure that all contracts for works, services and supplies are entered into by the Council in a manner which: -

- a. secures the best possible value for money; and
- b. is demonstrably free from impropriety

2.3.5 For more information regarding Standing Orders and the regulation of contracts see Appendix 5 of the Council's Constitution. The Intranet Info library address is as follows:

Corporate essentials / corporate / constitution / appendices / 5

2.3.6 For more information on Financial Procedure Rules see the Intranet Info library at:

Corporate essentials / corporate / constitution / appendices / 4

2.3 Consortia and Joint Negotiation

2.3.1 Any procurement activity becomes more powerful when shared with other local authorities, agencies and private sector partners to identify areas of common interest. There are a number of local authorities that have joined together to share expertise, realise administrative efficiencies and economies of scale for mutual benefit.

2.3.2 The Council owns a quarter share of West Mercia Supplies purchasing consortium (WMS) and as a result receives a significant dividend each year which makes a valuable contribution to the overall budget. It is vital that the Council employees use WMS appropriately and do not purchase outside of this arrangement for the agreed products and services.

2.3.3 A purchase from a non WMS supplier is on an exception only basis and cannot proceed unless agreed by the Head of Financial Services of the Strategic Procurement and Efficiency Manager.

- 2.3.4 The Strategic Procurement and Efficiency Manager will investigate opportunities for utilising purchasing consortiums such as OGC Buying Solutions where beneficial to the Council.
- 2.3.5 Herefordshire is a member of the Joint Procurement Group consisting of Worcestershire County Council, Telford and Wrekin Council and Shropshire County Council. Opportunities for joint working and best practice sharing are discussed on a regular basis.

2.4 E-Procurement

- 2.4.1 E-procurement is more than simply automating the purchase order and invoice payment process. It is about using the technology available to improve the effectiveness of the whole supply chain.
- 2.4.2 The Council is in the process of identifying as part of the Herefordshire Connects programme:
 - a. How the procurement process can be further automated and streamlined through the application of Business Process Re-engineering (BPR)
 - b. Maximising the use of BACS (electronic transfer of monies into bank accounts) for payments to suppliers and contractors
 - c. Electronic tendering and e-sourcing allowing placing of supplies contracts on line with the opportunity for tenders to be returned electronically
 - d. How particular suppliers could meet the requirements for e-procurement given the variety of systems individual organisations operate, for example the sharing of electronic data on supplier databases.
- 2.4.3 The development of “e” initiatives is aimed at bringing down the cost and time of purchasing processes and transactions for the Council and its suppliers. It will also help control how the Council spends its money and drive compliance around corporate contracts.
- 2.4.4 The following diagram outlines the e-procurement options available in the sourcing-managing-ordering-paying cycle of procurement. The Council will as part of Herefordshire Connects explore the opportunity of exploiting e-procurement technology to reduce the cost and improve the efficiency and effectiveness of all aspects of the procurement process for the Council.

CONTROLLING

BUYING

ACTIVITY

SCENARIO

TASKS

SOLUTION TYPE

Sourcing	Managing	Ordering	Paying
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A local authority (LA) puts in place corporate contracts with suppliers.	The local authority reviews and negotiates contracts when necessary	A LA employee wants to purchase goods (or services). They contact the supplier, place an order and later take delivery.	The supplier invoices the LA and the LA Finance department arranges payment.
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<ul style="list-style-type: none"> ➤ Define requirements ➤ Identify potential contractors ➤ Compile tender list ➤ Perform due diligence on suppliers ➤ Ensure best contract price and Service Level Agreement is 	<ul style="list-style-type: none"> ➤ Review existing supplier contracts ➤ Monitor and assess performance of existing suppliers ➤ Renegotiation contracts 	<ul style="list-style-type: none"> ➤ Authority ➤ Budget cover ➤ "licensed to order" ➤ Select goods or service ➤ Place an order with the supplier ➤ Receive the goods or services and complete delivery note 	<ul style="list-style-type: none"> ➤ The supplier invoice is received by the local authority ➤ Invoice approval process ➤ LA arranges payment of the invoice via LA accounting system
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Reverse auction	Contract Management	e-tender	e-invoicing
Bid evaluation tools		Management information	Procurement card
Content management		BACS	



The overall strategy will be incremental, ensuring that risk is minimised whilst opportunities for business gain are developed and realised over time. However, some level of risk is inevitable if we are to take maximum advantage of cutting edge technology.

2.5 Purchasing Cards

- 2.5.1 Opportunities for introducing procurement cards are available for areas with an operational requirement for flexibility of ordering that a p-card can provide. P-cards should complement the procure to pay ordering system and would only be adopted where the purchasing need cannot readily be serviced by the electronic ordering system. P-cards would help reduce the transaction process costs and also offer a flexible but controlled way of spending the Council's money.

3. HIGH VALUE/STRATEGIC PROCUREMENT

3.1 General Principles

- 3.1.1 Fewer transactions are likely to meet the criteria under this category of procurement. This is because each contract tends to be of a high expenditure level and carry far higher risks if the project is not completed successfully e.g. a construction contract or tendering for the provision of a service. Strong support and guidance, therefore, needs to be in place.

3.2 Legal Framework

- 3.2.1 High value projects are likely to be covered by the European Union (EU) procurement regulations and any lack of compliance with the legal requirements could open the Council to costly legal appeal. All decisions must be transparent, objective and auditable. The EU processes specify different routes according to the type of procurement and the Council must provide clear support on the legal framework.
- 3.2.2 In response to Part 1 of the Local Government Act 1999 the Council can now take account of certain "non-commercial" matters when determining contracts. Under Compulsory Competitive Tendering councils could not take such matters into consideration during the tendering process. Under the replacement Best Value requirement this prohibition has been removed enabling authorities to take into account such items as the terms and conditions of the workforce.

3.3 Tender Evaluation

3.3.1 The Council has to develop corporate guidance on the selection criteria to be applied when awarding contracts. Typically these will include;

- a. Price, including whole life cost
- b. Quality
- c. Plans for service improvements
- d. Empathy with the Council's objectives and core values
- e. Skills and capabilities
- f. Investment required
- g. Impact on employees innovation
- h. Shared risk/reward
- i. Staffing issues including TUPE arrangements
- j. Environmental issues
- k. Equality and diversity
- l. Health and safety issues
- m. Previous contractual performance
- n. Quality of tender documentation
- o. Clear compliance with specification

3.4 Partnership Working

3.4.1 Partnering is more about the approach undertaken than a specific method of procurement. The Council is committed to working with public, private and voluntary sector organisations to develop co-operative procurement arrangements and develop supplier effectiveness. Exploring further opportunities to work in partnership and achieve benefit from sharing resources, skills and expertise, will evidence this commitment.

3.4.2 Partnering is a term widely used within both public and private sectors but has no commonly agreed definition. The aim of partnering is for clients and service providers to work together to achieve best value for all parties by adopting a flexible and motivated approach unrestrained by artificial barriers and in a non-confrontational manner. Ideally, the partnership will be underpinned with a formal contract, processes and procedures document in which the ethos of the partnership is captured.

3.4.3 The partnering model enables customers and service providers to work together sharing risk, cost savings, innovations and best practice. The relationship is built on mutual respect and the trust that develops between customer and supplier at strategic and operational levels and enables the sharing of skills, knowledge and research. Where quality is enhanced, life cycle costs are driven down and customer satisfaction remains high.

- 3.4.4 Partnering principles will be applied to individual projects. There is a growing number of successful project partnering initiatives which the Council may embrace to develop best practice. However, to maintain momentum and build on the learning and culture change that has taken place, it is increasingly important for the Council to extend these partnering principles to more strategic alliances covering
- a. Programmes or phases of work
 - b. Work which is more difficult to define precisely in advance such as building maintenance
 - c. Initiatives whose priorities will develop over time requiring flexible structures
 - d. Projects where a solution has yet to be defined such as regeneration or redevelopment projects
 - e. Initiatives where construction is only a part of the solution and the partnership may extend into the operation of a facility or series of facilities, for example the Private Finance Initiatives.

3.5 Project Management

- 3.5.1 Procurement undertaken in this category needs to be managed to formal project management principles, with responsibilities clearly outlined and plans in place setting targets, milestones, timescales and resources required for successful completion. This applies not only to tendering processes but also to the performance of the contract once in place to ensure the desired results are achieved and the Council's objectives met. Any project should consider the training given to key employees undertaking this work to ensure that the appropriate project management skills are in place.
- 3.5.2 Before the start of any procurement project a business case must be completed to define the desired benefits and the approach to achieving them. Successful completion of the business case will lead to a project manager being appointed to the project for its duration.

3.6 Performance Improvement

- 3.6.1 Achieving continuous performance improvement is an essential objective for each and every one of the Council's services. Effective procurement needs to be recognised, where appropriate, as a tool that can be used to achieve this.
- 3.6.2 Use of appropriate management information and contract management techniques is essential if continuous improvement is to be achieved.

3.7 Strategic Procurement Forward Plan

- 3.7.1 Any procurement strategy needs to have a role in the forward planning of strategic procurement reviews. This provides a framework for the realisation of benefits from implementation and aligns contract renewal dates for goods and services internally. This will also help identify collaboration opportunities with other public sector organisations.

- 3.7.2 Each directorate should have a Strategic Forward Procurement Plan will be created for each Directorate to ensure that the authority maximises the opportunities for procurement savings in future years.
- 3.7.3 The forward plan is driven by a number of triggers that may stimulate the inception of a procurement project. These are depicted in the diagram below: -



- 3.7.4 The forward plan considers a number of drivers for example:-
- a. Renewal dates for large strategic contracts
 - b. Market opportunities and maturity
 - c. Opportunities for investigating new financial models for the procurement of services
 - d. Poor performance of services/best value reviews
 - e. Analysis of internal spend
 - f. Analysis of non-pay expenditure
- 3.7.5 All strategic procurement exercises will be project managed under the PRINCE2 project methodology which will be led by the project manager. Each will undertake an options analysis comparing all or some or a hybrid of the following procurement options:-
- a. Traditional procurement
 - b. Partnering
 - c. PFI/Public Private Partnership

- d. Outsourcing
- e. In house service provision

3.7.6 The options analysis will cover the following; -

- a. Cost
- b. Service Quality
- c. Risk
- d. Deliverability
- e. Timescales
- f. Funding
- g. Practicality
- h. Legal/Statutory Requirement

3.7.7 Once the details have been collated for the forward plan it will be split into three sections: -

- a. Strategic Procurement Reviews/Duty of Best Value
- b. Commodity Procurement
- c. Contract Reviews

4. RISK ASSESSMENT

4.1 Risk Management & Insurance

- 4.1 The procurement of services or the identification of a partner to deliver such services will always include a measure of risk to the authority. The Corporate Risk Manager will assist in reviewing those risks before final decisions are made and should accordingly be involved in the process from the embryonic stage of any such project. Reviewing the risks and how they can be controlled often opens up opportunities and should be seen as a positive part of the procurement process.
- 4.2 The Council's Risk Management Policy and Guidance document is available on the intranet and should be used as a basis for considering the risks during the procurement process.
- 4.3 Insurance implications are often left to last in the matters to be considered, however there can be a danger in this as inadequate insurance arrangements can put a project on hold whilst insurers consider the current levels of cover against those required. Again as soon as a procurement process is considered the insurance section should be contacted for advice.

5. EMPLOYMENT MATTERS

5.1 Consultation

- 5.1.1 In accordance with the Council's policies and procedures relating to managing change in employment, employees affected must be kept informed of procurement developments and their comments sought and fully considered.
- 5.1.2 Trade unions will also be consulted as appropriate.
- 5.1.3 A consultation timetable will be drawn up early in the process

5.2 Transfer of Employees

- 5.2.1 Where outsourcing is an option, this will be undertaken in accordance with current employment legislation (for example TUPE) and best practice. Separate guidance is available on the personnel info library page on the intranet.

5.3 Training and Development

- 5.3.1 A substantial amount of procurement carried out within the Council is not managed by purchasing professionals and, therefore, the skills required need to be properly identified and met. This will include the project and contract management skills referred to earlier as well as competency in appraising suppliers, carrying out tendering processes, negotiations and risk management.
- 5.3.2 Where new processes are adopted e.g. use of payment cards or on-line procurement or changes to guidance/standing orders, training requirements need to be identified as part of the changes proposed.
- 5.3.3 Training needs will be identified, and a training plan created to cover these training needs through the Procurement Exchange Group led by the Strategic Procurement and Efficiency Manager.
- 5.3.4 The Procurement Exchange Group replaces the Contract Officer Monitoring Group, and gives greater opportunity for two way procurement information exchange and acts as an internal network for all procurement related activity and initiatives.

6. ENVIRONMENTAL AND SUSTAINABLE PROCUREMENT

6.1 Environmental Conditions

- 6.1.1 The whole Council and all contracts are bound by the Council's environmental policy commitment to 'use its influence to actively encourage responsible environmental practice by

suppliers and contractors'. The Council's Constitution states that, "the Council's strategic policies must be taken into account, for example in relation to protecting the environment." (Appendix 5: Contracts Procedure Rules, 1.2.iii)

- 6.1.2 In procurement optimising value for money calls for the choice of the bid that offers the best combination of whole life costs and benefits to meet the Council's requirements. This is not necessarily the lowest initial price option and an assessment of the ongoing revenue, resource and disposal costs, as well as the capital investment and financing costs. The Council's requirements relating to social, environmental, sustainability and other strategic objectives should be defined at the earliest stages of the procurement cycle.
- 6.1.3 Whatever method of procurement is used, the Council must ensure that providers of services work to environmental standards equivalent to those set within the Council and are made aware of relevant requirements. This may be achieved both by contractual means and through advice, support and guidance.

6.2 Sustainable Procurement

- 6.2.1 Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, while minimising damage to the environment." *Procuring the Future* (Sustainable Procurement Task Force, June 2006).
- 6.2.2 There is a compelling business case for making procurement spend more "sustainable".
- 6.2.3 There are financial benefits for the council. Savings can be realised through the design and construction of buildings with lower through-life operating costs, better management of demand (including re-use, recycling and standardisation) and the acquisition of products that are more efficient in their use of energy, water and material resources.
- 6.2.4 The environmental imperative is clear, particularly the need to reduce CO2 emissions and the amount of waste going to landfill.
- 6.2.5 Socio-economic benefits range from the creation of employment and training opportunities for the long-term unemployed and people with disabilities.
- 6.2.6 Through better coordination of demand across local government and the wider public sector, and engagement of key suppliers at a strategic level, public purchasing power can be improved. This also stimulates product and process innovations that deliver improved environmental performance and further savings.
- 6.2.7 Intelligent public procurement can also capture innovation from small businesses and third sector organizations (TSOs) while realising wider benefits for local communities. This includes their engagement in the supply chains for major projects.
- 6.2.8 The Council should work towards purchasing sustainable and renewable goods and services wherever feasible and effective.

7. EQUALITIES AND DIVERSITY

- 7.1 All Herefordshire residents have a right to expect that public money is spent on services which suit their needs, and that it is spent in a way which promotes equality of opportunity and delivers high quality goods and services.
- 7.2 Legislation now requires the authority to eliminate unlawful discrimination. Where an external supplier carries out our functions for us, we remain responsible for meeting this duty. Therefore it is vital to take issues of equality into consideration when:
- a. Providing services;
 - b. Purchasing services;
 - c. Employing staff; and
 - d. Working in partnership with other organisations.
- 7.3 It is key that we demand the same commitment from those who deliver services on our behalf.
- 7.4 When procuring or commissioning services, the Council will:
- a. Treat contractors and partners with dignity and respect.
 - b. Encourage applications from partners and contractors which represent the Herefordshire population.
 - c. Ensure that, in setting the standards for the services it procures, barriers for potential services users will be eliminated. These barriers may include affordability, language, physical accessibility, culture and attitude.
 - d. Ensure that individuals and organisations providing services on its behalf are aware of the Council's Comprehensive Equality Policy and understand their responsibility for implementing it.
 - e. Ensure that the services it provides and those provided on its behalf are monitored to ensure fairness, equity and accessibility for all.
 - f. Ensure that the organisations it commissions comply with all equalities legislation and do not unlawfully discriminate as an employer or service provider.
 - g. Use whatever opportunities the law allows to ensure that those providing the Council with works, goods or services or providing services on the Council's behalf, accept a commitment to equality and monitor their own performance in the area.
 - h. Provide diversity training sessions for partners' employees.
 - i. Encourage contractors to agree to further voluntary steps to promote equality after the contract has been awarded.

- 7.5 When providing services on behalf of the Council, partners will:
- a. Treat Council officers and members of the public with dignity and respect.
 - b. Ensure that everyone providing, receiving or benefiting from the service are treated fairly and without discrimination (on whatever grounds), either directly or indirectly, and will put systems in place to monitor these criteria.
 - c. Ensure that barriers to accessing services are removed, including physical, communication and attitudinal barriers.
 - d. Make every effort to consult, involve and encourage the participation of the diverse communities of Herefordshire to ensure equitable service delivery.
 - e. Comply with all relevant diversity legislation and reflect the Council's values of "service with integrity, empathy and equity".
 - f. Provide such information as the Council may reasonably request for the purpose of assessing the partner's compliance with the above conditions.
 - g. Ensure that staff providing the service have diversity training and understand their responsibilities in regards to the councils commitment to diversity and relevant equality legislation.

8. BENEFIT CARD

- 8.1 In 2007 the Herefordshire Connects Board identified the need for a simple mechanism for managing the benefits realisation programme. As set out in the original Medium-Term Financial Management Strategy, cash savings realised through the Herefordshire Connects programme are to be treated as a corporate resource for investment in corporate priorities.
- 8.2 In the interests of simplicity the Council has one mechanism for identifying, approving and monitoring delivery of benefits for all change programmes (not just Herefordshire Connects). This approach also helps us manage the corporate efficiency agenda. Key to the process is agreeing the level of investment in the project (if any is required), the benefits that will be delivered, the implications for the base budgets and accountability for delivery.
- 8.3 The standardised "Benefit Card" attached at Appendix 1 has been in place since 2007 and is used to collect the key information needed to manage the benefits that will flow from transformation projects such as Herefordshire Connects. Following sign-off, the Benefit Card is used to track changes in the base budgets and monitor delivery against agreed financial and service targets. A guide to what a completed Benefit Card might look like is given at Appendix 2.

BENEFIT CARD							
SUMMARY	Benefit		Provide a brief description of the proposed benefit here				
	Change programme		Name of the change programme the benefit relates to				
	Link to change programme		Describe how the benefit supports the change programme objectives				
	Link to corporate priorities		Describe how the benefit supports corporate priorities				
	Efficiency gains		Describe the nature of the efficiency gains				
	CMB Sponsor		Name the individual and give post title				
	SMT Sponsor		Name the individual and give post title				
	Officer responsible for delivery		Name the individual and give post title				
	Financial Services Officer		Name the individual and give post title				
	Business Change Manager		Name the individual and give post title				
	Reference number		Referencing system to be devised				
CURRENT PROCESS	Description		Current / Planned Performance		Current Revenue Budget (£000)		
	Describe the current arrangements		Describe current and planned performance as per relevant corporate or service delivery plan in current and future years.		2007/08	2008/09	2009/10
					Revenue Budget Code:		
					Current Capital Budget (£000)		
					2007/08	2008/09	2009/10
					Capital Budget Code:		
	Description		Performance Improvement		Revenue Investment Needed (£000)		
	Describe the new arrangements		Evidence improved levels of performance against indicators to show the stretch in performance that can be achieved		2007/08	2008/09	2009/10
					Revenue Budget Code:		
					Capital Investment Needed (£000)		
2007/08					2008/09	2009/10	
				Capital Budget Code:			
Cashable Savings (£000)			Non Cashable Savings (£000)				
2007/08	2008/09	2009/10	2007/08	2008/09	2009/10		
Budget Code:			Budget Code:				

DEPENDENCIES	Description		
	Describe here what other things might need to be in place for the benefit to be realised		
STAFFING RESOURCES	Description		
	List here who will support the officer responsible for the delivery of this benefit		
TIMETABLE	Task	Planned Date	Actual Date
	Sign-off of proposed benefit		
	Start of project		
	Target completion date		
SIGN OFF	Who	Signature	Date
	CMB Sponsor		
	SMT Sponsor		
	Officer responsible for delivery		
	Financial Services Officer		
	Business Change Manager		
POST IMPLEMENTATION	Were the expected benefits delivered?		
	This section needs developing but will need to ensure that we review benefits realised to assess whether expectations were realised and to capture further improvements.		

BENEFIT CARD							
SUMMARY	Benefit		Reducing the amount of paper remittances sent to creditors and the number of payment enquiries from suppliers				
	Change programme		Herefordshire Connects				
	Link to change programme		Integrated Support Services				
	Link to corporate priorities		Organisational priorities on efficiency				
	Efficiency gains		Cost reduction and improved service efficiency				
	CMB Sponsor		Sonia Rees				
	SMT Sponsor		Mike Toney				
	Officer responsible for delivery		Alun Smith				
	Financial Services Officer		Greg Evans				
	Business Improvement Manager		TBA				
	Reference number		TBA				
CURRENT PROCESS	Description		Current / Planned Performance		Current Revenue Budget (£000)		
	All remittances are printed, enveloped and posted to creditors and an average of 100 calls are taken on the payments enquiry number each week Consumables including postages amount to £50k a year and approximately £5k staff time spent on dealing with payment queries		No current performance indicators		2007/08	2008/09	2009/10
					55	55	55
					Revenue Budget Code: yyxxxx		
					Current Capital Budget (£000)		
			2007/08	2008/09	2009/10		
			None	None	None		
			Capital Budget Code: n/a				
	Description		Performance Improvement		Revenue Investment Needed (£000)		
	Introduce an electronic means of sending remittances advices to suppliers by email or fax		Year 1 – 25% electronic remittances and 25% reduction in payment queries Year 2 – 50% electronic remittances and 50% reduction in payment queries Year 3 – 75% electronic remittances and 75% reduction in payment queries		2007/08	2008/09	2009/10
5					None	None	
Revenue Budget Code: yyxxxx							
Capital Investment Needed (£000)							
		2007/08	2008/09	2009/10			
		None	None	None			
		Capital Budget Code: n/a					
Cashable Savings (£000)			Non Cashable Savings (£000)				
2007/08	2008/09	2009/10	2007/08	2008/09	2009/10		
12	25	37	1	3	4		
Budget Code: yyxxxx			Budget Code: yyxxx				

DEPENDENCIES	Description		
	New ICT enabled procurement system needs to be in place.		
STAFFING RESOURCES	Description		
	Creditor payments team. ICT technical support.		
TIMETABLE	Task	Planned Date	Actual Date
	Sign-off of proposed benefit	June 2007	
	Start of project	September 2007	
	Target completion date	December 2007	
SIGN OFF	Who	Signature	Date
	CMB Sponsor		
	SMT Sponsor		
	Officer responsible for delivery		
	Financial Services Officer		
	Business Improvement Manager		
POST IMPLEMENTATION	Were the expected benefits delivered?		