

**Maidstone Borough Council**

**Corporate Services Overview and Scrutiny Committee**

**Tuesday 5 February 2013**

**Commissioning and Procurement Strategy**

**Report of:** Procurement Manager

**1. Introduction**

- 1.1 The current Procurement Strategy expires at the end of March 2013.
- 1.2 In consideration of the emphasis placed upon the development of a commissioning approach to service provision within the Strategic Plan, it was concluded that a more far reaching combined Commissioning and Procurement Strategy is required.
- 1.3 Effective commissioning and procurement combine to develop together a strategic path capable of delivering the service outcomes sought.

**2. Recommendation**

- 2.1 The Committee is recommended to consider the outline for a new Commissioning and Procurement Strategy to replace the current Procurement Strategy established in April 2010.

**3. Commissioning and Procurement Strategy**

- 3.1 The benefits of a developed joint Commissioning and Procurement approach to delivering required services are becoming better understood by local authorities. We consider that now, with current and future budget pressures and the focus on outcomes, is the appropriate time to adopt this.

**Why** – The council recognises that compliant well procured services is integral to but only part of the much greater objective of commissioning services that deliver the Council's priorities and meet the expectations of the people who live and work in Maidstone

**What** – All services whether outsourced or provided directly, should be the subject of continuous review. Those reviews should be undertaken systematically and in full accordance with the principles of the whole commissioning cycle and in compliance with a corporate approach to commissioning and procurement

**Who** - All members and officers require an understanding of the aims of the new commissioning based approach to service

provision, with particular emphasis placed upon needs and outcomes.

3.2 Appendix A shows a diagram and a flow chat that set out the main stages of both the commissioning and procurement cycles and how they relate to each other.

3.3 Commissioning services is often used incorrectly as a substitute for procurement of services. It is, as the diagrams show, a much larger cycle that begins with the examination of needs, passes through consideration of the options for delivery, onto procurement of the service (if that is the chosen option) and then to contract management, ending up with a review of the outcomes achieved against those identified at the beginning of the cycle before returning to the examination of needs – and the start of another cycle.

3.4 The excellent results from procurement, developed over the last ten years, will be enhanced by a better understanding of the commissioning cycle as a whole. Excellent commissioning:

- Identifies and understands needs and priorities and focuses on outcomes
- Challenges existing provision and reviews alternative service delivery models
- Decommissions services where appropriate
- Reviews strengths and performance of providers
- Promotes social value and sustainable procurement

3.5 Incorporating these steps in the cycle ensures that not only will services currently outsourced be reviewed as previously, but also those currently delivered directly. If the decision is to outsource, the processes will ensure improved opportunities for a more diverse range of providers; i.e. small and medium enterprises, social enterprises, and public or employee run services.

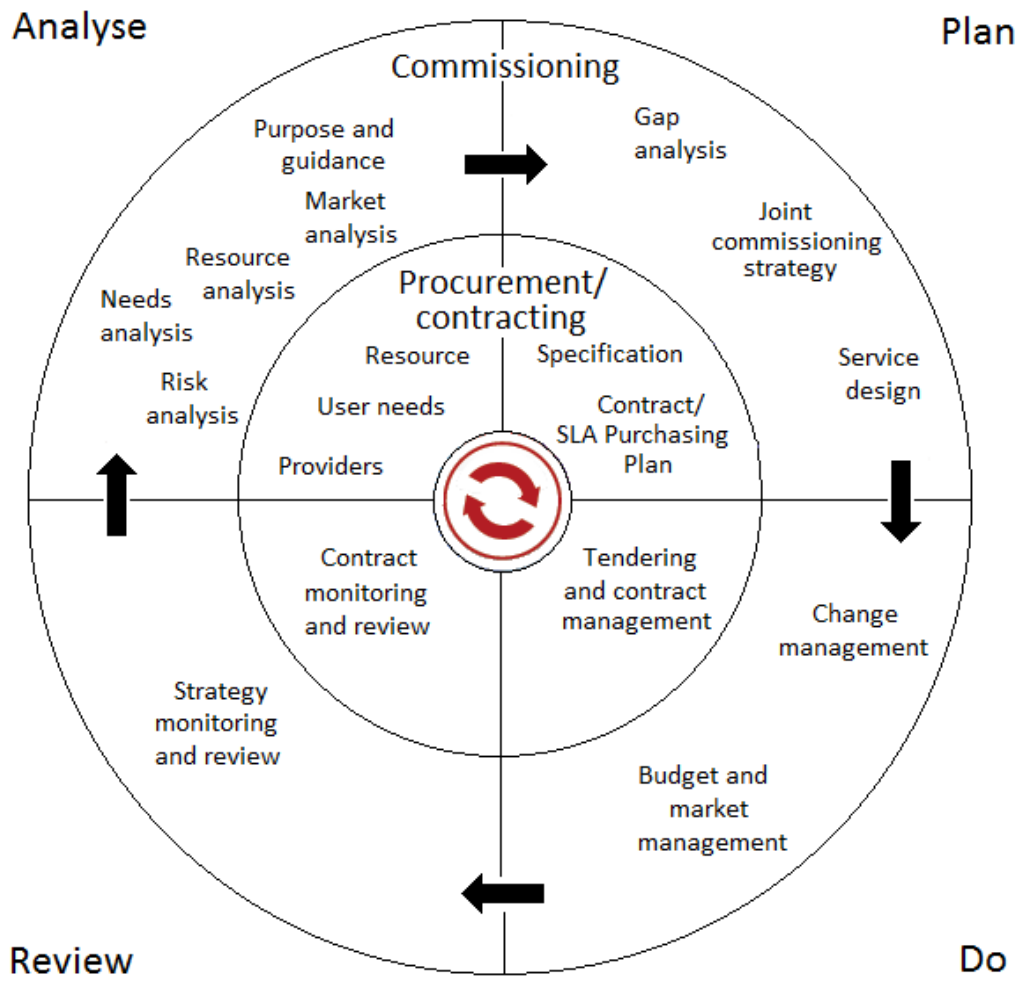
3.6 The new Commissioning and Procurement Strategy will set out the new strategic approach required, and will also identify new responsibilities and a timetable for members and officers to fully consider and understand the service outcomes that the council needs to deliver, and the services that will deliver these outcomes.

#### **4. Impact on Corporate Objectives**

4.1 A joint commissioning and procurement approach to the delivery of services will improve the chances of meeting all of the Council's priorities:

- For Maidstone to have a growing economy
- For Maidstone to be a decent place to live.
- Corporate and Customer excellence.

Appendix A



**UNDERSTANDING THE MAIN STAGES OF COMMISSIONING AND PROCUREMENT**

