

Open Report on behalf of Pete Moore, Executive Director Resources and Community Safety

Report to:	Schools' Forum
Date:	25 January 2012
Subject:	Procurement Practice in Schools

Summary:

This report provides information on how schools can improve their procurement practices and the support that can be put in place to enable them to do so. This report was put together on behalf of two Schools Working Groups following the agreed recommendations made by the Schools Forum on 27th April 2011.

Recommendation(s):

The Schools Forum should:

Note the findings in this report and consider the recommendations set out in Appendix A.

Background

Further to the report to the Schools Forum on the 27th April the recommendation to establish a Schools Working Group to understand procurement practice and risks across schools was approved. As a result two school working groups were set up, given the level of interest shown; one in the north of the county and one in the south. The purpose of the working groups was to determine what measures could be put in place to support schools in their procurement practice. Membership of the group was comprised mainly of Schools Business Managers (or equivalent). Support for the groups was high.

A series of four workshops were held, the first two workshops highlighted the issues schools faced when making purchases. The best way to find out the purchasing practices for schools not represented at the working groups was also discussed. To this end the groups decided to send out a questionnaire to all schools. The groups also decided to conduct a school spend analysis for SAP schools as this data was readily available.

During the four workshops the working groups shared some frustrations of the poor procurement practices that were being undertaken by external bodies.

The last two of the workshops discussed the results of the questionnaire and the spend analysis. These discussions added to and refined the recommendations contained within this report.

The working groups also felt that a procurement newsletter would be beneficial for schools. Two newsletters have been distributed so far. The newsletter contains some of the deals that are available to schools to use, explains procurement and highlights where unscrupulous suppliers have approached schools. The feedback from the newsletter has been really positive and a number of schools have saved money by following some of the deals highlighted in the newsletter.

Findings

Spend Analysis

The spend analysis confirmed:

- That SAP schools in Lincolnshire spent over £55 million in 2010/11 and there is a significant opportunity for schools to harness and aggregate this spend to maximise their buying power.
- Purchasing across schools is fragmented and there is a real opportunity for collaboration, particularly in areas such as IT and construction. For example, there were over 375 IT suppliers, 500 construction suppliers and 75 furniture suppliers.
- Many schools have common suppliers and there is an opportunity to negotiate to deliver best value, for example improved pricing and service levels. It should be noted that 50 out of the 6,800 suppliers used account for 50% of the spend.

Questionnaire

The questionnaire showed that there is a real appetite and a will for schools to achieve best value for money and there were examples of good purchasing practices across the schools. The questionnaire also identified that:

- The use of framework agreements is limited mainly to ESPO and many schools were not aware of other framework available to them.
- External procurement support to schools is limited.
- Use of procurement cards is high but not universal.
- Awareness of the Council's Contract Procedure's was around 50%.
- Only a small number of those responsible for purchasing had received any training in procurement.
- Time was given as the biggest constraint in being able to find the best deal.

Conclusion

The findings from the questionnaire and the spend analysis highlighted that although there are pockets of good purchasing practices in schools, there is significant opportunity to improve procurement practice to deliver increased savings and improve service delivery. The clearest opportunity is to harness the purchasing power that schools have, particularly in area such as IT.

The Schools Working Group recognises the need for professional procurement support if these opportunities are to be realised.

Consultation

a) Policy Proofing Actions Required

n/a

Appendices

These are listed below and attached at the back of the report	
Appendix A	Recommendations

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Matthew Hird, who can be contacted on 01522 553728 or matthew.hird@lincolnshire.gov.uk.