

New Approach for NEPO and Collaborative Procurement in the North East

BACKGROUND

The North East Procurement Organisation has, over nearly 40 years, made a major contribution to both stimulating North East businesses and helping local authorities to make savings. In 2013/14 local authority spend with North East registered suppliers was significant at 63%, of which 52% was with the region's SMEs. Importantly, it is the North East's approach to procurement that enables this to happen, by working together, to fuel economic prosperity, inward investment and growth.

A review in 2014 undertook to ensure that NEPO's arrangements would be fit for purpose for the future, given the many changes that have happened over recent years, not least in relation to the economy, and the challenges that lie ahead for local authorities and the region as a whole.

A revitalised approach and new ways of working have emerged from the review, with an important outcome being to embed the NEPO service as part of the Association of North East Councils. This has strengthened NEPO's public face and ensures that the political leadership of the 12 councils is engaged in shaping the strategic value and importance of public procurement, not just for councils but to help business and communities too.

As part of new, streamlined governance arrangements, ANEC has established a Collaborative Procurement Sub-Committee, comprising of a councillor from each of the ANEC Member Authorities, to advise, scrutinise and inform collaborative procurement activity across councils, including the NEPO service. Critically, NEPO now has a commitment from the top table - Members, Chief Executives and Directors to recognise the strategic importance of procurement and how it can really shape service delivery.

NEPO has now developed a work programme which identifies what will be procured at a national, regional and local level. This is vitally important because we need to identify where gaps and opportunities exist. The programme is organic and will continuously evolve and develop to enable the North East to optimise new opportunities.

STAKEHOLDER ENGAGEMENT

As part of the new approach, NEPO has reviewed their engagement with stakeholders, including business representative organisations, Local Enterprise Partnerships, the VCS and other sectors that have a clear contribution to make. We are keen to ensure that in future

arrangements are in place to give a strong business focus, add value to procurement activity and support the growth of the North East economy.

At the first meeting of a new Stakeholder Engagement Group, held on 28 January, members underlined the significant benefits to be gained from bringing together an advisory group to capture the views, intelligence, ideas and expertise of stakeholders working to improve the region's economic prospects and potential. They supported greater focus being placed on social value and the wider benefits that can be achieved through opportunities for public sector contracts to generate employment and create apprenticeships in local labour markets.

Members of the Group supported proposals for developing expertise in market intelligence, to help anticipate future trends, develop innovative products, services and approaches that could shape and deliver improvements in public services and procurement practices.

Initial representation on the Stakeholder Engagement Group includes the North East Chamber of Commerce, Federation of Small Businesses, CBI (Northern Region), EEF, North East Local Enterprise Partnership, Tees Valley Local Enterprise Partnership, Local Authority Economic Director leads for the 2 LEP geographies, a representative from the ANEC Directors of Resources Group and the NEPO Procurement Officer Network, alongside senior representation from NEPO and ANEC.

As part of their discussion at the first meeting, members were keen to build on opportunities for drawing in wider engagement of business interests through themed seminar style events relating to the key areas of NEPO's activities, including construction, energy, facilities management and professional services.

The NEPO Business Club also has a valuable role to play in organising events that promote wider participation and raising awareness of procurement opportunities with small, medium and large companies and supply chain industries. Through the Business Club, NEPO has delivered training for over 400 suppliers and providers in the North East where the content of all courses and sessions has been specifically designed to meet their needs. The training continues to receive excellent feedback and during last year 12 months, 100% of respondents said they were in a more informed position as a result of attending. This is significant and shows how NEPO has an intrinsic role in supporting the region's employers as they get back on their feet and strive to be efficient and competitive as the UK heads out of recession.

At their first meeting, held on 28 January, members unanimously supported the importance of the Group being business-led and with this in mind unanimously agreed to Ross Smith, Director of Policy at the North East Chamber of Commerce, chairing the Group.

One of the early tasks of the Stakeholder Engagement Group will be to shape and inform a forward plan of activity over the next 12 months, which links in to NEPO's work programme priorities and with a clear focus on areas of added value and tangible outcomes.

NEPO's work programme has been developed around what will be procured at a national, regional and local level. The integration of a performance management framework will demonstrate the collaborative procurement output and set out credentials in terms of NEPO's accountability, transparency and ability to manage its resources effectively.

The challenges faced by local authorities are greater today, perhaps than at any other time, and are likely to increase year-on-year. The rise in demand for services against a backdrop of significant reductions across all areas of provision is unprecedented. Every pound needs to be accounted for. The review of Collaborative Procurement has therefore been timely for the North East and with a revitalised NEPO to drive it forward, with the support of key stakeholders, there are great opportunities for further supporting the economic, social and environmental wellbeing of this area of the country.