

# best practice a brighter future

» With more than 20,500 schools, 384 colleges, more than 120 universities and 154 local education authorities in England alone, a streamlined, fully collaborative procurement system for education can sometimes look like a very small light at the end of a very long tunnel.

Last October's Public Accounts Committee report, "Improving procurement in further education colleges in England" was a case in point.

A speed read offered up some sobering surface conclusions. "Procurement remains a Cinderella service", says the report, which goes on to reflect that "poor management information and systems are major barriers to improving procurement" as is "colleges, reluctance to share good practice".

The report also asks why sizeable numbers of colleges have not joined procurement card schemes. It says that the National Audit Office found that 40% of colleges were letting large contracts without competitive tendering, while three quarters could not provide a breakdown of spend on basic categories such as water, energy or catering.

Yet delve into the detailed oral evidence provided to the Committee by Mark Haysom, Chief Executive of the Learning and Skills Council (LSC) and Ian Taylor, now the Commercial Director of the Department for Children, Schools

and Families (DCSF), and a more encouraging picture emerges.

Haysom and Taylor describe a diverse range of initiatives, albeit many of them in an embryonic stage. These include the forging of close relationships with further education (FE) specialists the Crescent Purchasing Consortium (CPC), the launch and promotion of online resources for college procurement professionals, and the establishment of 19 regional networks to promote collaboration and best practice.

Both men were absolutely certain that the FE sector savings target of £75 million on spending of £1.6 billion could soon be increased significantly.

## Culture change

In fact, examples of a culture change within education procurement can now be found throughout the sector.

The pilot phase of OPEN – the Online Procurement for Educational Needs marketplace for schools – is now underway in up to 1,150 schools across Devon, East Sussex, London and the North West of England.

DCSF Deputy Commercial Director Darron Cox says: "Phase One of OPEN is to rigorously test the system for reliability, appropriateness, ease of use and integration with schools' financial management systems. Phase Two will work with schools to further develop the functionality available within the system. These pilots are in a unique



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position to influence these enhancements. The system will then be made available from spring 2008."

Sue Hall at e-Spi, part of the Association of Greater Manchester Authorities' group of schools and one of the delivery partners for Educational Procurement Centre activities, is equally optimistic: "OPEN reflects e-Spi's vision to achieve a vibrant and robust school marketplace which supports the efficient and effective management of school resources.

"There is a clear expectation from Government, Ofsted and the Audit Commission for local authorities to develop strategies to meet their statutory responsibility to encourage schools to become effective purchasers.

"e-Spi was established to support a number of government agendas and moving forward with the DCSF will further align those objectives."

#### Advertising the benefits

Meanwhile, in 2006 the Centre for Procurement Performance (CPP), headed by Ian Taylor, in the then Department for Education and Skills calculated that annual expenditure on recruitment advertising, across the whole education system, was in excess of £250 million, with very little collaboration between institutions.

Last year, Warwick University and the Universities Advertising Group (UAG) launched a new advertising framework agreement that could be accessed by schools, FE colleges and universities alike.

The framework has been in operation for several months and research within the higher education (HE) sector suggests that over 90% of institutions are using an approved agency via either UAG arrangements or the new framework agreement.

Schools and FE colleges are using the new arrangements too, with the six approved advertising agencies working with more than 280 education sector clients.

Since the new agreement commenced there has been an average uplift of 6% in the media discount being offered to participating institutions. This would indicate overall savings of more than £4 million for institutions using either UAG contracts or the advertising framework agreement.

#### Insuring savings

With the support of DCSF and the Learning and Skills Council, Crescent Purchasing Consortium has teamed up with Risk2Value Ltd (the insurance broking subsidiary of the University of Sheffield) to develop a new concept for the purchase of insurance and broker services specifically tailored to the requirements of FE organisations.

Results from an initial ten colleges using the framework show a total saving of nearly £140,000 on a collective insurance spend of over £800,000 – a reduction of 17%. All individual colleges recorded cost savings and three of the colleges recorded savings of £25,000 or more.

#### Regional collaboration

Regional Procurement Network meetings, organised by DCSF and the LSC, are encouraging collaboration across the FE sector, and, where possible, the post-compulsory education system as a whole. In the South West this has led to significant savings being realised by the FE and HE sectors alike.

Mike Pearce, procurements contracts officer at The University of Exeter, explained: "Working with the LSC Networking Group has enabled us to reach out to a wider group of institutions, resulting in a shared direction and increased savings and efficiencies.

"We've been able to allow colleges to participate in new contracts for waste management and vehicle hire. The combined savings for all participating institutions committed to date is £1.9 million over the lifetime of the two agreements."

John Ward, Procurement Officer at Cornwall College, agrees: "Although still in its infancy, the regional collaboration and sharing of services with procurement colleagues in the HE sector has already proved to be extremely beneficial to Cornwall College. The additional leverage we've accrued has resulted in cashable savings and added value."

Finally, all members of the English National Purchasing Consortium (LUPC, NEUPC, NWUPC, SUPC) and the CPC have entered into closer collaborative arrangements with OGCBuying.solutions.

The consortia have identified advantageous Buying Solutions framework agreements and will actively market those deals to their members, reducing duplication and potential confusion in the marketplace.

The deals that will be promoted are:

- Business Solutions
- Consultancy
- Facilities including photocopiers and print solutions
- Mobile Solutions
- Postal Services
- Property & Facilities Management
- Travel

With the next spending review period (CSR07) starting in April 2008, the CPP looks well positioned to deliver significant benefits, working with its delivery partners such as the LSC and CPC. The light at the end of the tunnel looks increasingly like a spotlight on the success of procurement in the education system.

To learn more about Zanzibar or any of Buying Solutions' framework agreements, please visit [www.ogcbuyingsolutions.gov.uk](http://www.ogcbuyingsolutions.gov.uk) or call our Customer Service Desk on **0845 410 2222**