

GO INTERVIEW

David Pointon

David Pointon, Chairman of the Society of Procurement Officers in Local Government, speaks to *GO* Features Editor **Morven MacNeil** about the society's tenth anniversary and his thoughts on the Comprehensive Spending Review 2007.

The Society of Procurement Officers in Local Government (SOPO) engages in a range of activities to promote its strategic purchasing, contracting and supplies functions. Representing over 2800 members, SOPO provides area networks and forums and produces guidance on best practice.

SOPO's Annual Conference and Exhibition, to be held on 7 and 8 November at the Novotel London West Hotel and Convention Centre, marks the Society's tenth anniversary. *Government Opportunities* spoke to its Chairman and Head of Procurement at Portsmouth City Council, David Pointon, about the SOPO's contribution to public procurement and what 2008 holds for the public procurement community.

How did you first become involved with SOPO?

I was involved with SOPO right from the beginning, although not on the National Executive. I actually attended the inaugural meeting at Westminster Hall on 13 September 1997. About two years later I was elected to the National Executive, and in 2004 I was elected Chairman.

How would you sum up the role of SOPO, and its contribution to public procurement?

I think SOPO has been instrumental in raising the profile of local government procurement. One of the reasons that SOPO was so successful in increasing its membership in its early days was that there was a growing need for procurement professionals within local government to exchange good practice and ideas. SOPO was in the right place at the right time to satisfy this need. As the membership grew, SOPO was also one of the major contributors of ideas on process improvement and good

practice which fed into the Byatt Report on Local Government Procurement. As that information was disseminated to the procurement profession, so SOPO became more prominent, and that's really how things got into gear in a serious way.

As well as being a communication channel between the profession and the policy makers, SOPO has been the broker of information and best procurement practice through the Society's website discussion forum. The forum has been extremely popular among our members, by putting people in touch with each other on a whole variety of different subjects.

Thanks to the pivotal role that SOPO has played, we have become highly valuable to the Department for Communities and Local Government, the Local Government Association, Regional Centres of Excellence (RCEs), the Office of Government Commerce (OGC), the Cabinet Office and the Chartered Institute of Purchasing and Supply (CIPS) as a unified organisation that can speak authoritatively on behalf of local

government procurement on a whole variety of procurement-related subjects.

What have been the biggest changes in the procurement landscape during SOPO's ten-year history?

Procurement has moved from being substantially an operational function to being a strategic one as well, and within the larger

authorities the role of senior procurement officers has moved 'upmarket' accordingly. This has resulted in greater cooperation between local and central government; it's as though the boundaries between different government departments and local government have started to disappear. The degree of collaboration and cooperation between publicly funded organisations is light years away from what it was ten years ago.

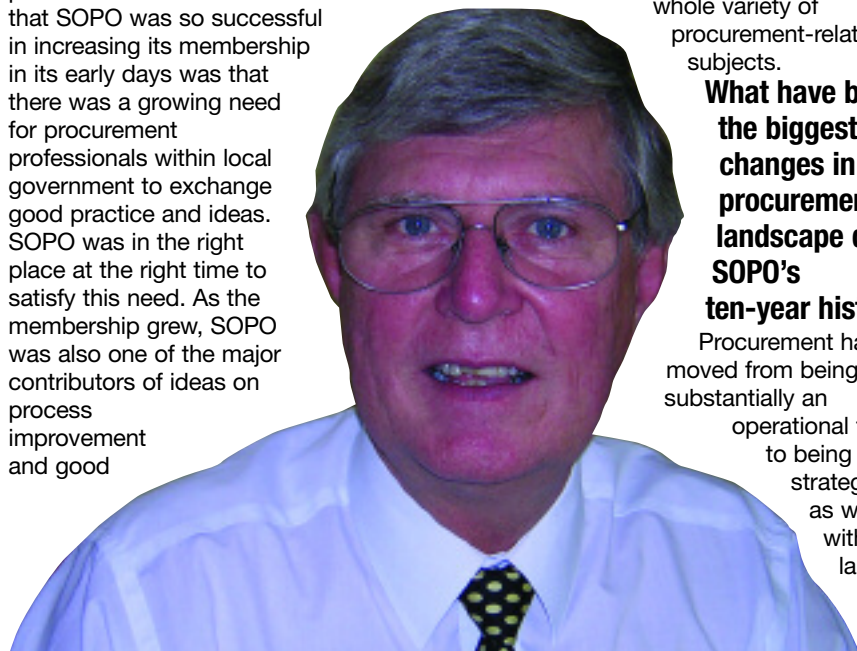
How can SOPO benefit young procurement professionals?

In my opinion there has never been a more exciting time for young professionals to join local government procurement or public procurement generally. In the change from an operational to a strategic function, procurement professionals have now earned themselves a seat at the high table in terms of how authorities set their purchasing strategy and how procurement can help deliver public services better and more cost-effectively. So as far as young professionals are concerned, local government is as dynamic and exciting as you could possibly get within a procurement role. The experience and skills that are required are as high as in any other profession. And remuneration well in excess of £100,000 for the most senior jobs is ultimately available if younger professionals have the ability and desire to succeed.

What are the most important issues that need to be addressed by the public sector regarding its role as the procurer of goods and services?

The most important issue to be addressed is training. We need to ensure that procurement professionals and those who are part-time players in areas like social care, engineering, leisure management and asset management etc do actually have the skills and competencies to perform the job professionally. This is a serious issue which the whole of local government procurement needs to address. These people are not all necessarily to be found within the procurement departments, but can be dispersed across authorities.

The second area is shared services. If you look back over the last couple of



years, some of the areas where procurement has been most successful are in the use of agency staff and training, waste management and social care. Procurement professionals are now getting involved in a much wider remit, and these days they need to think of what is best practice for all external expenditure. The vision for procurement is to look at whichever relationships need to be developed at local, regional or national level to make sure that we are getting the most for our money by shaping the market and dealing with those people whose combined purchasing power can obtain better deals.

The Comprehensive Spending Review 2007 was published in October, and anticipates achieving savings of at least three per cent a year over the CSR07 period, releasing £30 billion by 2010-11 to reinvest in further improvements in key public services. How do you think these savings will be achieved?

CSR07 is going to present a very challenging time for public sector procurement. What it equates to is roughly a three per cent cash saving year on year, and that is building on the good work that has already been done since 2004-05. Local government has actually saved about £1 billion a year, which is £4 billion in total including this current financial year. A significant part of that

saving has come from procurement, by getting better deals, improving systems, and increasing the value that purchasers get for the taxpayer's pound. To some extent, it can be argued that what we have taken is the low-hanging fruit: very valuable and expensive. But the challenge now is to carry on making savings, which means that we will need to look into other areas that may have been off the procurement radar up to now. Very often that will mean looking around the lower spend areas.

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So the challenge from CSR07 is that if you haven't picked up the high-spend areas and you're tapping into a collaborative or shared contract, go down the spend analysis and see what new areas you can get involved in – things like construction and maintenance contracts, which aren't necessarily on the immediate radar. By out-picking some of these areas you can actually make some substantial savings. There's a major challenge for public procurement, and local government in particular, as regards CSR, but it's a good challenge as it will require new and higher levels of innovation and strategic thought to achieve better practices and results.

What can the public and private sectors learn from each other as regards procurement?

There is a lot that can be learned on both sides if authorities and the private sector have the will to learn. One of the things that came up in my day job at Portsmouth about three years ago was holding a workshop with four large contracting organisations, several international companies and three local authorities to debate our procurement strategy. Almost without exception the private sector organisations had strategic alliances with their commercial partners, so they were always going forward on a win-win basis. They weren't actually tendering everything in sight, rather they had a strategic alliance to work together, to make sure they had a joint outcome at the end of the process. I think there is an important lesson we can learn in the public side about how to move away from the adversarial nature of typical contracts and work more closely with our partners by sharing our problems and explaining our constraints to generate a win-win

outcome. But we can only do this if we actually open the doors to this discussion and if we honestly want to learn.

What do you think will be the major issue that will define public procurement in 2008?

One of the biggest issues that we face is determining how the new world of public procurement is going to look in the shared and joined-up environment that we're looking to develop. How do you get the OGC, RCE, NHS PASA, MoD and PRO4

to work together to develop a common strategy? I think there are some green shoots starting to appear, but before this can be significantly productive the whole landscape has to be developed and we need to agree a national procurement strategy to avoid duplication and overlap. I think this is the

issue that will define procurement in 2008 – how we can tie all these good ideas together and actually achieve something concrete in terms of a national programme.

Finally, where do you see SOPO ten years from now?

SOPO exists because there is a need for collaboration between local government procurement professionals, and what we are seeing is this collaboration starting to move out to other areas within local government where procurement is not a full-time professional discipline for those charged with procuring goods and services. This needs to be encouraged and developed in a structured way. In addition, there needs to be more integration between local government and other government departments – whether that's through SOPO, or a version of SOPO in the future, remains to be seen.

But without a doubt, there is a need for a vehicle where local government procurement practitioners can collaborate right across the field. Whether that brings SOPO together with other disciplines to create this vehicle, only time will tell. ☺

Thank you for speaking to GO.

The SOPO Annual Conference and Exhibition takes place on 7 and 8 November at the Novotel London West Hotel and Convention Centre. For more information on the SOPO Annual Conference, please visit: www.localgovexpo.co.uk

Further information

For further information on SOPO, please visit: www.sopo.org

A BRIEF HISTORY

David is currently Head of Procurement for Portsmouth City Council with responsibility for delivering best practice procurement with an annual budget of £160 million. The procurement portfolio includes the whole range of council services from Social Care to Leisure Management, delivery of which is linked to a 3-year Corporate Procurement Business Plan which mirrors the National Procurement Strategy. David is the Chairman of SOPO, a member of the National Procurement Strategy Steering Group and a board member of the National e-Procurement Project but still retains a strong hands-on role within Portsmouth City Council. He is also a veteran of three major PFI contracts and the implementation of an authority-wide suite of electronic business systems including a range of e-procurement tools.