Bury Council
Procurement Transformation
Business Case

V6 Final Issued

Dec 2025

Contact Information:

Stephen Gray - stephen@dwildeconsulting.co.uk

Contents

Executive Summary

1.1 Introduction

This Outline Business Case sets out the rationale and preferred approach for transforming procurement at Bury Council. It addresses the longstanding inefficiencies, risks, and missed opportunities in the way the Council manages its £200 million annual third-party spend on revenue and capital based procurement. The aim is to shift procurement from a largely reactive and transactional function to a strategic enabler of financial savings, service outcomes, and organisational assurance.

1.2 Drivers for change

Procurement at the Council currently lacks the necessary visibility, control, and assurance to consistently deliver best value — resulting in missed opportunities and potential cost inefficiencies

Early analysis indicates significant scope for efficiency savings through improved procurement planning, contract management, aggregation, and compliance. Third-party spend is one of the Council's largest controllable costs, yet over £60m remains outside the contract register, and £36m is tied up in contracts that exceed legal time limits (note this is under review and a procurement pipeline is being developed and implemented). These gaps directly undermine financial control and present avoidable risk.

The rundown of the current central procurement function in recent years has resulted in making the current operating model fragmented and reactive, with limited corporate oversight and a lack of forward planning. Capacity constraints has meant procurement activity is often uncoordinated, driven by individual services without commercial challenge or market insight. This results in inefficiency, inconsistent outcomes, and poor value for money.

Key systems, especially Unit4, are underused. The Council lacks category-level spend analysis, automated controls, and insight into procurement performance. Decisions are not data-driven, and accountability is weak.

The Council also lacks the capability and culture to manage procurement strategically. There is low organisational awareness of rules, risks, and opportunities. Contract performance is rarely monitored, and supplier relationships are not actively managed.

Compliance failures are widespread — from retrospective ordering and direct awards to unmanaged P-card use — creating legal exposure and operational risk. Without urgent reform, the Council will continue to overspend, underperform, and fall short of new statutory duties under the Procurement Act 2023.

Transformation is essential. A modern, strategic procurement function can deliver material savings, restore control, reduce risk, and reposition procurement as a key lever in the Council's financial and service reform agenda.

1.3 Scope of the Business Case

This business case follows HM Treasury's Five Case Model and sets out:

- The **strategic case** for change, including problems with the current model and alignment with Council priorities.
- An **economic case** identifying and appraising options for reform.
- The **commercial case**, covering procurement routes, market engagement, and delivery viability.
- The **financial case**, including investment costs, savings forecasts, and return on investment.
- The **management case**, detailing how the change will be delivered, managed, and governed.

An additional section has been added to set out in more detail the proposed procurement Target Operating Model.

Together, these sections provide a comprehensive assessment of the proposal and a robust foundation for investment decisions.

1.4 Summary of the Business Case

Following an option appraisal, the preferred option is to create a new **Corporate Procurement Hub**, supported by modern digital systems and a structured capability uplift. This will professionalise procurement across the Council, introduce tighter controls and governance, and enable proactive management of commissioning, tendering, and contract performance. The focus of this business case has been developing options around strengthening corporate procurement but as part of the consultation has taken into account and opinions of commissioning and contract staff across the council whilst also trying to identify stuff that may B in scope for any major organisational change in the development of a new TOM for procurement.

Key system enhancements assessed and proposed include Proactis AP automation, Scanmarket contract and spend modules, and the Unit4 Marketplace product. Policy changes such as "No PO, No Pay" will embed financial discipline, while a refreshed staffing structure will centralise expertise and oversight.

1.5 Case for Investment

The proposal is affordable and delivers high value demonstrating that:

Strategically, there is a clear case for change. Existing arrangements do not support the Council's ambitions for efficiency, risk management, or supplier engagement.

Economically, the preferred option delivers the best value-for-money outcome. It delivers sustainable savings and builds long-term capability, avoiding short-term fixes or under-delivery.

Commercially, the proposal is deliverable through existing contracts (notably Unit4), and benefits from early market engagement and a scalable delivery model.

Financially, the programme offers strong returns. Net investment costs total approximately £716k (Year 1) which includes a one off surge of external resource from day 1 to deliver savings at pace and the aims and objectives whilst recruitment is being undertaken. From Year 2 the recurrent investment is down to £399k on the basis fully recruited. Phased gross savings will rise from £1 million to £3 million per year, delivering a cumulative five-year gross benefit of £10 million, with a forecast £7.6 million cost/benefit creating a significant ROI. Note that net savings will be dependent upon the level of addressable spend including current long term contract commitments. Additional work will be required to assess and separate revenue related procurement spend form capital programme spend. See cost/benefit summary table below.

Cost Benefits Analysis	26/27 Year 1	27/28 Year 2	28/29 Year 3	29/30 Year 4	30/31 Year 5	Total Costs
Revenue Costs						
Proposed Permanent Staff	£ 634,026	£ 634,026	£ 634,026	£ 634,026	£ 634,026	£ 3,170,130
Annual System Licenses	£ 150,000	£ 150,000	£ 150,000	£ 150,000	£ 150,000	£ 750,000
Sub Total Costs	£ 784,026	£ 784,026	£ 784,026	£ 784,026	£ 784,026	£ 3,920,130
Less Current Staff Costs	£ 384,800	£ 384,800	£ 384,800	£ 384,800	£ 384,800	£ 1,924,000
Net Revenue Variance/Cost	£ 399,226	£ 399,226	£ 399,226	£ 399,226	£ 399,226	£ 1,996,130
One Off 'Surge' Consulting	£ 250,000					£ 250,000
System Implementation Support	£ 67,500					£ 67,500
One-Off Sub Total Costs	£ 317,500	£ -	£ -	£ -	£ -	£ 317,500
Total Investment Costs	£ 716,726	£ 399,226	£ 399,226	£ 399,226	£ 399,226	£ 2,313,630
Less Procurement Savings						
Annual Gross Procurement Savings	£ 1,000,000	£ 1,500,000	£ 2,000,000	£ 2,500,000	£ 3,000,000	£ 10,000,000
Cost/Benefit Savings	£ 283,274	£ 1,100,774	£ 1,600,774	£ 2,100,774	£ 2,600,774	£ 7,686,370

Managerially, governance, programme management, and phased delivery plans are in place, with risks actively monitored and a strong delivery structure under development.

Sensitivity analysis confirms the model remains financially positive even with cost overruns or slower benefit realisation.

1.6 Next Steps

Subject to approval, next steps will include:

- Mobilisation of the new Corporate Procurement Hub during 2025/26, development of mobilisation plan and allocation of resources for system and structure implementation
- Procurement and implementation of supporting systems, including the Proactis AP automation and Scanmarket, testing and readiness for deployment from Apr-26
- Finalisation of structure and recruitment into key roles
- Phased rollout of new policy controls and staff engagement
- Design and mobilisation of the supporting transformation programme

- Governance through the Finance Board and Procurement Steering Group, with quarterly reporting

The transformation of procurement is a core part of the Council's wider financial and operational reform agenda and will play a central role in securing better outcomes and improved value for money across all services.

Strategic Case

1.7 Introduction

Procurement in Bury Council was identified as a key area of opportunity in the development of the financial transformation business case and in subsequent programme undertaken to Mar-25.   As part of early programme work, a procurement baseline assessment was undertaken assessing the level of third-party spending and the current state of the contract register.   Alongside this, a high-level evaluation was undertaken of the procurement service that identified challenges but also significant areas for opportunity.

The conclusion was that there were very significant opportunities to transform procurement and secure efficiency savings of a scale that merited a business case, hence the development of this document.

This business case sets out the rationale, opportunity, and proposed delivery model for transforming Bury Council's corporate procurement function and approach to drive best practice whilst securing efficiencies. It draws from a range of baseline assessments, stakeholder interviews, and other insights to define a compelling case for change.   Industry benchmarking tools such as the LGA Maturity Model and the Crown Commercial Service CCIAF benchmarks are available for industry wide comparisons and can provide additional benchmarking.

This business case aims to secure the investment and mandate for a Procurement Transformation Programme that delivers improved control, compliance and cost savings, starting from Jan-26, potentially go-live from Apr-26, , subject to business case.

1.8 Scope and Context

The scope of the business case covers the existing central procurement team, currently less than 3 FTEs plus interim and other budgets – a revenue spend of £384k including on-costs which include some income from schools and rebates.

Commissioning functions existing in adult care and children's services only whilst contract management is delegated to all departments.   These areas were considered in the option appraisal but the review of commissioning and contract management activities, beyond consultation does not form part of this business case.

Third party spending is a significant part of the overall spend of Bury Council in terms of both its revenue and capital budgets.   It follows therefore that controlling spend and ensuring best value in the overall life cycle of commissioning, procurement activity and contract management can contribute significantly to the efficient operation of the Council.

It is clear from the baseline analysis that a significantly greater opportunity exists to drive procurement savings as it forms such a substantial part of overall council expenditure.   Alongside this procurement is presently constrained by:

- The lack of capacity as a procurement function in a heavily decentralised operating model
- The level of service fragmentation leading to the lack of prioritisation of contract management, cost control and challenges with enforcing good procurement practise
- The level of organisational knowledge on contract activity and the absence of contract life cycle management
- Limited visibility of spend data and little understanding of what is driving expenditure across the Council.

More specifically, procurement at the Council is a function under serious strain in many ways, namely:

1.8.1 Structural Weaknesses

Fragmented procurement model: A small corporate team with no unified council structure or strategic control and limited capacity to affect change. Reactive in nature.

Decentralised decision-making: Leading to inconsistency, lack of accountability and bypassing of corporate policy.

1.8.2 Financial Control Failures

Capacity and systems limitations means that:

- **Poor Management Information:** Lack of regular accurate spend analysis
- **Weak Compliance:** Only 60% of spend uses Purchase Orders, many raised after purchase — severely undermining financial control.
- **Procurement Planning:** Up to £36m of contracts beyond legal time limits (at Mar-25), exposing the Council to legal, operational and financial risk and.
- **Knowledge Gaps:** £61m in third-party spend is not covered by the Contract Register — a major transparency gap.
- **Controls:** Poorly controlled P-card use, with no category-level insight — ripe for misuse and overspending.
- **Strategy:** High volume of low-value, unaggregated contracts — 35% of suppliers account for <£5k each – a recipe for inefficiency

1.8.3 System and Data Underuse

The limitations of the current financial management system and associated tools means that:

- Unit4 is underutilised, due to system limitations and configurations, missing out on digital controls for spend, analytics, contract management, and compliance.
- No category-level spend analysis, making strategic sourcing and aggregation impossible.
- No clear pipeline or procurement planning – entirely reactive, not strategic.

1.8.4 Compliance and Risk

- **Widespread non-compliance** with procurement rules, creating legal exposure.

- **Retrospective ordering and direct awards:** bypassing fair competition and fuelling inefficiency and poor value.
- **Resistance to market testing:** preference for known suppliers over fair, open procurement, or in many cases failure to re-procure at all.
- **Supplier Management:** Lack of supplier vetting and poor contract oversight raise risks around safeguarding, fraud, and value for money.

1.8.5 Capability and Culture Deficit

- Low awareness of procurement rules and best practice across departments.
- Misunderstood role of procurement – seen as a blocker, not an enabler.
- Poor contract and supplier management – performance not tracked, KPIs not enforced.
- Lack of accurate digital dashboards, insight, or reporting — decisions are not data-driven.

1.8.6 Strategic Drift

- No clear Council-wide procurement strategy aligned to policy, budget, or service goals.
- Missed opportunities to leverage frameworks, collaborate with other councils, or drive innovation and sustainability.
- Not fully prepared for the new requirements of the Procurement Act 2023, including contract procurement planning and monitoring, transparency, social value, and reporting duties.

In summary, Procurement is not fit for purpose in its current state. It is fragmented, opaque, weakly controlled, poorly understood, and vulnerable to risk. This is not just a missed opportunity — it's an active liability.

1.9 Strategic Drivers

There is a pressing need to move from a risk-laden, reactive model to a proactive, strategic procurement function. The Council's procurement transformation must be driven by a convergence of urgent strategic imperatives:

1.9.1 Financial Recovery and Control

With third-party spend forming a major proportion of both revenue and capital budgets, strengthening procurement is essential to restore financial control, eliminate inefficiencies, and deliver recurring savings. Effective procurement is a direct lever for improving the Council's financial resilience.

1.9.2 Statutory and Regulatory Change

The introduction of the **Procurement Act 2023** and the ongoing requirements of **PCR 2015** demand greater transparency, planning, competition, and reporting. The Council must modernise its processes to ensure compliance and avoid legal and reputational risks.

1.9.3   Strategic Alignment with National Priorities

National public sector reform agendas emphasise commercial capability, efficiency, digitalisation, and delivery of social value. Bury's procurement function must evolve to align with these expectations and become a proactive partner in reform, not a passive responder.

1.9.4   Digital and Data Fundamentals

Council-wide ambitions for smarter, data-informed decision-making cannot be realised without unlocking the full capabilities of Unit4 and related tools. Procurement must be reconfigured to provide the analytics and controls required to support modern, insight-driven public service delivery.

1.9.5   Risk Management and Assurance

The current level of compliance failure and operational risk, from unmanaged contracts to retrospective ordering, demands urgent intervention. A strategic procurement function will provide governance, control, and assurance across all third-party spend.

1.10 Conclusion – the case for change

Bury Council spends over £200 million annually on third-party costs — nearly half its budget. Yet procurement is fragmented, underpowered, and lacks the strategic grip needed to secure value or control. Over £60 million in spend is outside the contract register, with £36 million tied up in contracts beyond legal limits.

Poor planning, weak data, and compliance failures are exposing the Council to financial and legal risk. Even modest improvements could yield recurring gross savings of £4.0m – £7.0m per year – see next sections. Further work is required to separate out capital spending to assess the level of trust spending this gives an indicative faster of the scale of savings possible. Without investment, inefficiencies will persist and the Council will remain unprepared for the requirements of the Procurement Act 2023.

A transformed procurement function, with investment in the right systems, structure, and capacity can deliver control, compliance and savings — turning the Council's procurement capability into a strategic asset.

Economic Case

1.11 Purpose of the Economic Case

The Economic Case demonstrates the rationale for investment in procurement transformation by identifying and appraising the options available to achieve best value for money. It evaluates the potential costs, benefits, risks and strategic alignment of each option, and identifies the preferred way forward that delivers the greatest overall public value.

1.12 Critical Success Factors

The following criteria are essential to the success of the procurement transformation:

- Clear strategic separation between commissioning, procurement, and contract management (though underpinned by a joint commissioning and procurement strategy, reviewed annually)
- Central visibility and reporting of spend, suppliers, and contracts
- Embedded contractual compliance with procurement legislation and policy
- Strengthened capability, central oversight and support for contract and supplier management
- Data-driven decision making through category management and spend analysis
- A structure that promotes efficiency, accountability and best value

1.13 Potential Efficiency Savings on Third-Party Spend

Bury Council currently spends approximately **£200 million annually** on third-party goods, services, and works — representing nearly half of its total budget. Based on realistic and evidenced assumptions, a transformed procurement function has the potential to deliver recurring **gross efficiency savings in the range of £4.0 million to £7.0 million per year**. This equates to a modest **2%–3.5%** saving on total third-party spend, in line with benchmarks from comparable public sector transformation programmes. Consideration needs to be given to segmenting capital and revenue savings as part of future spend analysis.

Net savings will be dependent upon the level of addressable spend including current long term contract commitments. Lack of available data at this stage has meant net savings is not calculated. Additional work will be required to assess and separate revenue related procurement spend from capital programme spend.

These savings will be achieved through a combination of targeted interventions across the procurement lifecycle, including:

1. **Contract Compliance** - Reducing financial and legal risk by ensuring all contracts are re-tendered or extended within legal timeframes.
2. **Contract Renegotiation** - Reviewing live contracts to secure better value through improved pricing, performance guarantees, or extended terms.

3. **Contract Aggregation** - Consolidating low-value, fragmented contracts into larger, strategically sourced arrangements that attract greater discounts.
4. **Use of Catalogues and Controls** - Reducing discretionary spend and limiting uncontrolled purchasing by promoting catalogue-based procurement and reducing procurement card use.
5. **Better Commissioning and Service Design** - Driving improved outcomes and efficiency through smarter commissioning, demand management, early market engagement, and stronger competition.
6. **Enhanced Contract Management** - Focusing on in-contract cost control, supplier performance, and outcome delivery to maximise the value of every pound spent.
7. **Category Management** - Developing specialist knowledge to improve commercial insight, shape markets, and negotiate better deals for high-impact spend areas.
8. **Stronger Procurement Strategy** - Raising the profile and influence of procurement within the organisation to support financial recovery and long-term reform.
9. **Cultural Change and Training** - Building capability and shared ownership of procurement outcomes across departments through learning and engagement.
10. **Data-Driven Decision Making** - Using real-time spend, supplier, and contract data to identify inefficiencies, assess risk, and target areas for improvement.

Together, these measures represent a structured and credible route to delivering sustained efficiency and improved value for money, while also strengthening compliance, control, and commercial maturity.

1.14 Options Considered

1. **Do Nothing** – Maintain the current fragmented model; no change to structures, systems, or governance.
2. **Invest in Systems Only** – Deploy Unit4 Contract Management and Spend Analytics tools (Scanmarket), but no structural reform.
3. **Central Procurement Hub** – Introduce a hybrid model with commissioning and contract management remaining in services, supported by a strengthened Corporate Procurement function and systems responsible for sourcing, compliance, frameworks, category management, and analytics.
4. **Fully Centralised Model** – All procurement activity, including sourcing, contract, and supplier management, delivered by a single corporate team with centralised commissioning.

1.15 Evaluation of Options

Each option has been evaluated in consultation with stakeholders and assessed against the Council's strategic objectives, as well as its current level of commercial maturity. Via the Commercial Continuous Improvement Assessment Framework (CCIAF) was used to inform the evaluation, highlighting the gaps in governance,

capability, systems, and assurance that each option would address to a greater or lesser extent. The options were also considered in terms of their potential to shift the organisation from a largely "Developing" or "Practising" maturity level across key themes, towards "Leading" in areas such as governance, contract management, and category planning. Note this is a high level assessment and going forward the Council may wish to conduct an in-depth maturity assessment against this model

Option 1: Do Nothing

Maintaining the current fragmented procurement arrangements would leave the Council exposed to legal, operational, and financial risks. The Council would remain at the lower end of commercial maturity, with continued compliance failures, data gaps, and poor strategic oversight. Although this option avoids change management and investment, it reinforces a reactive, low-value model that is no longer tenable.

Pros:	Cons:
• Minimal disruption, no change management required • No investment required	• Ongoing compliance failures and inefficiencies • No capability or capacity improvements • No strategic control or visibility • High risk and missed financial savings

This is a baseline option only and is not viable given statutory duties under the Procurement Act 2023 and the scale of identified risks.

Option 2: Systems Only

This option upgrades procurement systems (e.g. Unit4 Contract Management and Spend Analytics) but retains existing structures and processes. It improves visibility and control at a technical level but lacks the organisational capacity, accountability, or behavioural shift required to use these tools effectively. Maturity would improve modestly in the areas of data and systems, but structural fragmentation would remain a barrier to strategic impact.

Pros:	Cons:
• Improved system controls and compliance, reporting information • Better spend and contract data visibility • Lower implementation complexity	• No capacity or governance improvements • Limited ability to act on data or compliance challenges • Modest and uncertain savings

This option offers a partial solution, enabling better reporting but not empowering the organisation to act on it.

Option 3: Central Procurement Hub

This hybrid model introduces a centralised procurement function while retaining service-led commissioning. It enables the Council to achieve "Leading" maturity in

governance, category management, and compliance by building capability, embedding consistent standards, and leveraging system improvements. It supports strategic sourcing, spend control, and contract oversight while retaining service input and responsiveness.

Pros:	Cons:
• Strong balance of service ownership and corporate control • Builds platform for driving procurement savings and compliance • Fully supports digital transformation, capability growth and step change • Major uplift in contract and supplier management through new systems and category management	• Requires upfront investment, capacity building and cultural change • Requires some structural change and alignment of resources currently outside of procurement function

This is the preferred and most deliverable model, offering a practical but ambitious route to commercial maturity and savings.

Option 4: Fully Centralised Procurement Function

This model consolidates all procurement and commissioning into a single central team, including control of strategic contract management . Whilst it maximises control and policy compliance, it risks alienating service teams and creating operational bottlenecks. It may deliver a high level of standardisation and control, but the maturity gains in stakeholder engagement and commissioning may be offset by service disengagement or slow adoption.

Pros:	Cons:
• Highest consistency and compliance – all functions together and fully coordinated • Drives harmonisation and consistency of commissioning, procurement and contract management processes • Strong central control and risk mitigation	• High complexity and change management challenge • Risk of alienating or disconnecting service areas and losing responsiveness and local service knowledge • Potentially slower implementation and service impact

This option may overreach and reduce service responsiveness, making it harder to transition, transform and embed changes sustainably.

1.16 Options Appraisal Summary

Each option was assessed against strategic alignment, deliverability, compliance, data capability, and savings potential. The appraisal findings are summarised below, defined as Benefits (Low/Medium/High):

Criteria	Option 1: Do Nothing	Option 2: Systems Only	Option 3: Central Hub	Option 4: Fully Centralised
Strategic Alignment	Low	Low	Medium	Medium
System Integration	Low	Medium	High	High
Governance & Compliance	Low	Medium	High	Medium
Contract Lifecycle Oversight	Low	Low	High	High
Spend Reporting & Analytics	Low	Medium	High	High
Category Management	Low	Low	High	High
Cultural Change / Skills	Low	Low	High	Medium
Financial Savings Potential	None	Low	High	High

1.17 Preferred Option

The preferred option is Option 3: Central Procurement Hub though a case can be made for Option 4 if the Council considers the complex nature of delivering this option can be successfully done .

Option 3 model delivers the strongest balance between strategic control and service-level ownership. It builds a dedicated corporate procurement function to provide policy, governance, analytics, and commercial expertise, while allowing services to retain accountability for commissioning and contract delivery. It enables full integration with Unit4 systems, supports cultural and capability development, and is the only option capable of delivering the estimated gross annual savings – subject to further analysis of capital and revenue spend and in-scope addressable spend. This model also positions the Council to fully comply with the Procurement Act 2023 and deliver long-term value.

1.18 Benefits and Risks

Key Benefits:

- Substantial efficiency savings on third-party spend
- Improved compliance and risk reduction
- Full visibility and control over contract and supplier activity
- Stronger support for service-level commissioning
- Better use of data and systems to drive decision-making

Key Risks:

- Delivery complexity and transition challenges
- Change management and stakeholder engagement requirements
- Need for investment in capacity, training, and system configuration

1.19 Conclusion

Procurement transformation is a strategic necessity for Bury Council. With nearly £200 million in annual third-party spend, even modest improvements will generate significant financial and operational benefits. Option 3 delivers the best public value, balancing ambition with deliverability, and enabling the Council to meet its statutory duties, recover control, and improve outcomes through a modern, efficient procurement function.

Target Operating Model

1.20 Introduction to Preferred Option

Based upon the preferred option of a Corporate Procurement Hub

1.21 Vision

"To design, source and deliver services that meet local needs through a modern, efficient and compliant procurement function that drives best value, actively manages contracts and suppliers –supports active contract management, and uses technology and data to ensure full visibility, accountability, and continuous improvement."

This means:

- Designing and developing services around outcomes and community priorities
- Procuring efficiently, transparently, and in line with legislation
- Leveraging integrated technology and AI to reduce manual effort and automate transactional processes
- Supporting services to manage contracts and suppliers proactively to drive quality and performance
- Using real-time data to monitor spend, assess risk, and hold budget holders to account
- Aggregating contracts and standardising demand to unlock economies of scale
- Enabling early market engagement and fair, open competition
- Fully complying with the Procurement Act 2023 and PCR 2015
- Commercialisation offer to schools and others

1.22 Design Principles

The values and priorities underpinning the model is proposed as below:

1. Outcome-Focused and Locally Responsive - Procurement supports the design of services around clear local needs and outcomes, enabling early and meaningful engagement with the market.

2. Efficient, Digital and Value-Driven - Automation and AI are embedded across processes to minimise waste, accelerate procurement cycles, and deliver the best value from every pound spent.

3. Compliant and Accountable Activities fully align with the Procurement Act 2023 and 2015 PCR. Real-time reporting and system controls ensure transparency and hold services accountable for compliant spend.

4. Data-Driven and Insight-Led - Contract, spend and supplier data is actively used to inform strategy, manage risk, and drive continuous improvement across the organisation.

5. Integrated Contract Lifecycle Management - Contract management sits within services, with the corporate centre providing standards, tools, and support. Digital systems enable full lifecycle visibility and planning.

6. Supplier-Enabled and Market-Engaged - Suppliers are digitally enabled, fairly treated, and monitored for performance. Processes are simple and inclusive to support SME participation.

7. Digitally Enabled from End to End - A single digital workflow from commissioning to payment, with integrated platforms, automation, and dashboards at every step.

8. Skilled, Embedded and Connected Teams - Category management is aligned to services, supported by a strong corporate centre that acts as a procurement hub—setting policy, building capability, enabling systems, and ensuring consistency across the organisation.

9. Income Generation - bringing in commercial revenues to support service development and budget contribution

1.23 Target Operating Model

The outline of the structure, capabilities, and key functions that define the future TOM are shown in the diagram below and following descriptions.
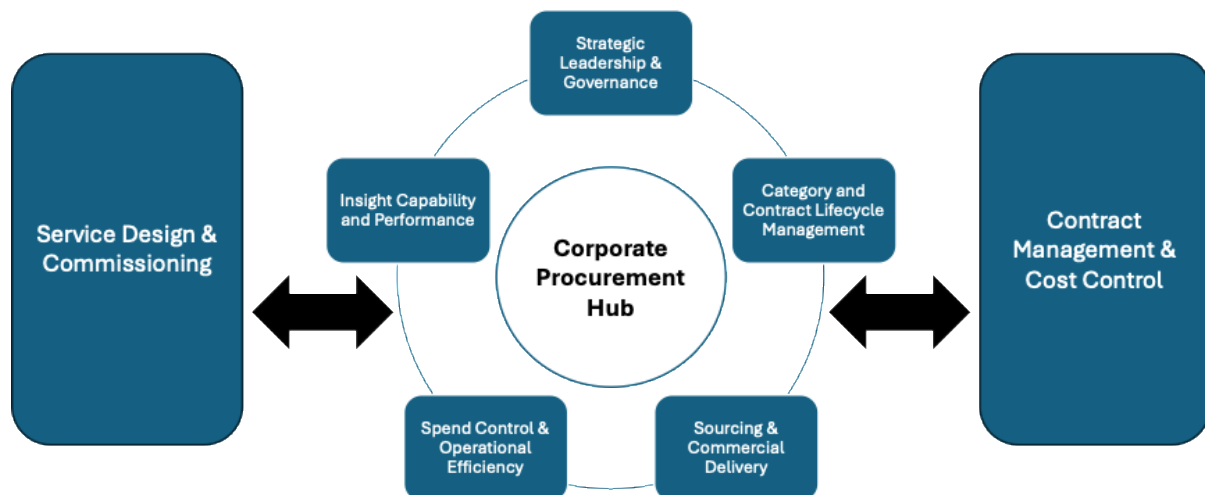
1.24 Functional Breakdown

The key functions of the target operating model are set our below

1.24.1 Service Design and Commissioning

This function is responsible for defining the **needs, outcomes, and delivery models** for services to be procured. It ensures that procurement is grounded in a clear

understanding of what is required, why it is needed, and how it aligns with local priorities and user needs.

Key responsibilities include:

- Shaping the market and engaging potential suppliers early
- Co-designing services with stakeholders and service users
- Developing outcome-focused specifications
- Aligning commissioning plans with budget, policy, and delivery strategy
- Ensuring clarity on roles, responsibilities, and performance expectations before procurement begins

This function will be service led, with close collaboration from procurement to ensure commercial viability and compliance from the outset.

1.24.2 Contract Management

Contract Management ensures that contracts, once awarded, are **actively monitored and managed** to drive performance, mitigate risk, and secure value throughout the contract lifecycle.

Key responsibilities include:

- Managing supplier relationships and ensuring delivery against KPIs and service outcomes
- Monitoring cost, performance, and compliance
- Conducting regular reviews, audits, and improvement planning
- Preparing for renewals or re-procurement with appropriate notice and insight
- Supporting issue resolution, dispute management, and contract variations

While day-to-day contract management will be delivered within services, though it must be supported by corporate governance, clear policies, and regular reporting to ensure consistency and assurance.

1.24.3 Corporate Procurement Hub

The Corporate Procurement Hub provides the strategic, commercial, and operational leadership necessary to deliver consistent, value-driven procurement across the Council. It acts as the centre of expertise, policy, and governance, supporting services while enforcing standards and enabling savings. The Hub does not replace service commissioning or contract ownership but strengthens the overall procurement environment and commercial maturity.

Key responsibilities include:

- Setting corporate procurement policy, strategy, and governance
- Leading category planning, market engagement, and supplier relationships
- Providing expert support on tendering, commercial negotiations, and compliance
- Managing procurement systems, analytics, and reporting
- Supporting services with procurement planning and contract lifecycle oversight
- Enabling a culture of commercial awareness and continuous improvement

To deliver the benefits of procurement transformation, five core functional areas have been defined as part of the Corporate Procurement Hub – a fuller description is attached as Annex B.

1. **Strategic Leadership and Governance** - Sets the strategic direction for procurement, enforces policy and compliance, embeds social value and ethical sourcing, and provides assurance to senior leadership.
2. **Category and Contract Lifecycle Management** - Provides structured category management and ensures contracts are actively managed throughout their lifecycle, from planning through to renewal or exit.
3. **Sourcing and Commercial Delivery** - Delivers compliant, competitive procurement processes, supports services in specification development, and drives value through commercial negotiation and innovation.
4. **Spend Control and Operational Efficiency** - Improves transparency and financial control through systems, data, and automation — enabling spend analysis, contract visibility, and procurement planning.
5. **Insight, Capability and Performance** - Builds procurement capacity and data maturity across the organisation through training, reporting, and impact evaluation, while ensuring accountability and transparency.

The Hub ensures that procurement is aligned with council-wide priorities, compliant with legislation, and capable of delivering measurable financial and service outcomes.

Commercial Case

1.25 Building Capacity for Delivery

Realising the full benefits of procurement system modernisation at the Council requires investment not just in technology, but in the underlying capacity to deliver and sustain change. The following components will be essential:

Policy

New and updated procurement policies — notably around "No PO, No Pay", catalogue-based purchasing, contract compliance and spend governance — will underpin system functionality and must be adopted corporately. These policies will be critical for automation to deliver measurable value.

Systems

Three system solutions have been identified as strategic enablers:

- The **Unit4 ERP Marketplace** module, to manage purchasing through controlled catalogues.
- **Proactis AP Automation**, to remove manual invoice handling, reduce error, and streamline exception handling.
- **Scanmarket Contract and Spend Analytics**, to strengthen control over contracts and offer visibility across all procurement activity.

See Annex C for a more detailed assessment of these systems.

Structure

Procurement and finance teams will need to operate with clearer functional ownership — particularly across contract management, supplier onboarding, and invoice processing. This may involve reshaping roles or centralising functions where decentralisation has created inefficiencies.

1.26 Procurement and Financial Process Development

To maximise the impact of new systems and deliver sustainable improvement, the Council will need to strengthen both its financial processing and its core procurement lifecycle. These are distinct but complementary areas of activity.

Financial and P2P Processes

Proactis AP Automation is focused on accounts payable modernisation. It automates invoice capture, validation, PO matching and supplier query management. However, it does not cover procurement strategy or sourcing as its benefits form part of the finance transformation programme, although its deployment is essential in creating a high performing procurement function, especially in terms of supplier engagement and management

Proactis will support:

- Invoice processing using AI and OCR
- Query Desk for exception handling
- Supplier PO Flip functionality

- Integration with Unit4 for seamless payment processing

The effectiveness of this system depends on strong upstream practices: timely PO creation, robust receipting, and catalogue-based ordering via Unit4.

Procurement Process Strengthening

End to end procurement transformation rests on three activity areas:

1. **Commissioning and Design**: Embedding service design, better pre-procurement requirements planning, early market engagement and clear commercial strategies. This activity sits with service departments.

2. **Procurement Management**: Improving governance and compliance during sourcing, evaluation and award. While ProContract supports tendering, it is not sufficient on its own. Key to this is ensuring the three core activities of commissioning procurement and contract management work as an overall end to end process. It is also therefore important that a central procurement hub is able to significantly influence commissioning and design across the service departments and has the governance and overview of contract management, setting standards and overseeing overall performance through analysis of contract spend

3. **Contract and Supplier Management**: Strengthening post-award oversight and supplier performance management. Whilst the Corporate Procurement Hub can provide the spend analytics using Scanmarket, capability must also be further developed internally, in a common way, across all service departments to develop and maintain effective contract management, best value, performance and contract compliance.

1.27 Transformation Approach

To enable this change, a three-pronged commercial strategy will be adopted:

Resources
The proposed staff structure will need to be finalised, evaluated and recruited over this financial year. Alongside this, dedicated transformation programme and subject matter expertise will be required to manage implementation, ensure business readiness, and embed changes across the organisation. This may include interim commercial, procurement or AP automation specialists as part of a procurement transformation programme.

Procurement of Systems

The preferred commercial approach is to extend the current Unit4 contract, which permits the addition of further modules. This route allows for streamlined procurement, faster mobilisation, and known commercial terms. It also ensures consistency in system integration and supplier relationship management.

Alternative procurement routes, where required, include:

- Crown Commercial Services (CCS) G-Cloud 14 and Digital Outcomes & Specialists frameworks

- Direct award or mini competition through alternative framework agreements or via The Chest open tender process.

Each route will be tested against value for money, implementation efficiency, and ability to align with Council timelines.

<u>Programme and Change Delivery</u>

Delivery of these systems will be phased and coordinated with the Council's Finance Transformation Programme, though it will need to dedicated programme, project and procurement advisory resource. Support will need to be procured to manage the design and delivery of the early transformation activities and to support where implementation, staff training and change management activities.

1.28 Market Engagement

Preliminary discussions have been held with all key suppliers:

- Unit4 has provided high-level costings and timelines for the Marketplace and Spend modules. This will be delivered as part of the current Finance Transformation programme.
- Proactis has demonstrated its invoice capture and PO Flip functionality and supplied indicative costings based on Bury's invoice volumes.
- Scanmarket has demonstrated its Contract Lifecycle Management and Spend Analytics Modules, alongside a supplier registration module. These products are part of the wider Unit4 service offering though would need to be separately procured.

The suppliers involved to date are existing strategic partners with existing integrations, which significantly reduces delivery risk.

1.29 Risk and Assumptions

The key commercial risks identified are:

- **Integration complexity:** While the systems are technically compatible, implementation must be carefully managed to avoid delays and ensure interoperability with the Unit4 ERP core.
- **Behavioural change:** Systems alone will not deliver benefits; enforcement of new procurement policies and sustained user engagement is essential.
- **Supplier readiness:** Timely implementation will depend on supplier resource availability and clarity of scope.
- **Cost control:** There is a risk of underestimating the professional service and change support required a spart of a transformation programme with a clear focus on securing year on year efficiencies. Clear programme planning and cost modelling and governance will mitigate this.

All risks will be managed through established project governance under the Finance Transformation Programme or Finance Board with early engagement of IT, Procurement, and Finance leadership to ensure delivery readiness.

Financial Case

1.30 Proposed Procurement Hub – Structure

The present costs for the service include current staffing costs for the small central procurement team plus resource is in of the departments that may transfer to a corporate procurement hub as part of the establishment of category management. This will need further review but the assumption at this stage that is that at least one post can do this and that has been taken into account in the present costs.

Proposed costs are based on the assumption that full investment is made in the creation of a corporate procurement hub including permanent resources as well as shorter term one-off "Surge" resources for transformation, project management and procurement advisory resource needed for the first two years in order to drive and secure early efficiencies.

For the purposes of this business case all procurement related systems costs, bar Unit4, have been included namely contract lifecycle management, cost analysis and AP automation, accepting that the latter will deliver benefits in the finance transformation programme but is in a central part of creating a full end to end procurement service. It is assumed contract and spend analytics is procured early in the delivery process.

Proposed costs for staffing are based upon market benchmarks and the following staff structure sets out the range of functions and roles in the proposed corporate procurement hub. A full breakdown of staffing, roles and costs is shown in Annex D.
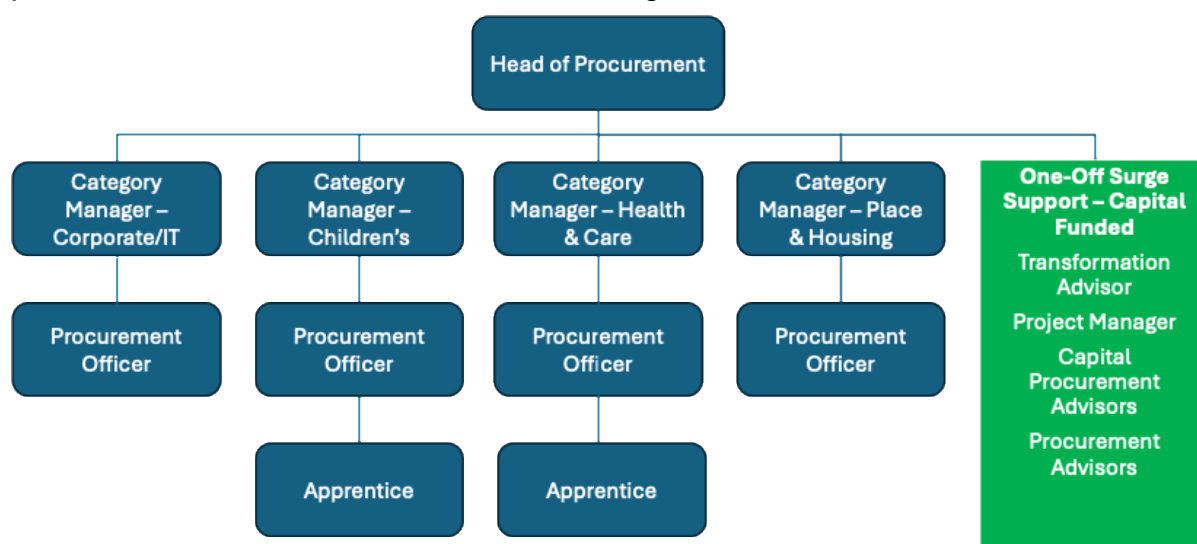
1.31 Structure: procurement grades and market benchmarking

The proposed structure is deliberately designed to align seniority, accountability and reward with both the scale of spend under management and the delivery of cashable savings at pace. Salary benchmarking has therefore been undertaken using a combination of internal peer roles within Bury Council's emerging Finance and

Commissioning structures, alongside external local-government market evidence from comparator councils.

This approach ensures that the proposed grades are credible, affordable and defensible, while also being sufficiently competitive to attract and retain scarce procurement talent in a challenging recruitment market.

1.31.1 Head of Procurement

The Head of Procurement is a pivotal leadership role within the council's financial recovery and transformation agenda. The postholder will be accountable for driving procurement savings at scale, embedding category management, strengthening contract management disciplines and delivering the benefits set out in this business case. This role carries a level of responsibility that goes well beyond traditional compliance-focused procurement leadership and instead combines strategic leadership, transformation delivery and commercial acumen.

Given this scope, the Head of Procurement role is benchmarked as at least comparable to the recently established Band B grade for Strategic Finance Leads within the new Finance structure. This reflects parity of seniority, leadership responsibility and direct impact on the council's medium-term financial position. Market evidence from other councils shows that Heads of Procurement with explicit savings and transformation accountability typically sit at this level or above, particularly where they lead multiple category teams and are expected to deliver cashable benefits quickly.

Positioning the Head of Procurement at this level is also necessary to address known recruitment challenges for senior procurement professionals, particularly those with experience of operating at pace in financially constrained local authorities.

1.31.2 Category Managers

Category Managers form the operational backbone of the new procurement model. Each role is responsible for a defined portfolio of spend (for example Corporate and IT, Children's, Health and Care, Place and Housing), developing and executing category strategies, leading high-value and complex procurements, and working directly with commissioners and budget holders to secure savings and improved outcomes.

These roles are deliberately aligned to the Strategic Commissioning Lead (SM1 grade) elsewhere in the council. This reflects the fact that Category Managers and Strategic Commissioning Leads are intended to operate as peers: jointly shaping markets, influencing demand, managing supplier performance and ensuring that commissioning and procurement strategies are fully aligned. External benchmarking indicates that councils which successfully embed category management typically place these roles at senior manager level rather than treating them as enhanced officer posts.

Aligning Category Managers to SM1 also supports effective cross-directorate working, ensuring procurement has sufficient authority and credibility to challenge specifications, drive standardisation and secure value for money.

1.31.3 Procurement Officers

Procurement Officers provide professional delivery capacity within each category, supporting tendering activity, contract management, compliance with procurement regulations and the day-to-day operation of the procurement service. In the target model, these roles are not transactional buyers but skilled professionals operating within a structured category framework.

Market benchmarking indicates that the appropriate peer group for these roles within Bury Council is Senior Finance Business Advisors and Corporate Accountants within the new Finance structure. Accordingly, Procurement Officers are aligned to Grade 12/13, reflecting comparable levels of professional judgement, technical expertise and responsibility. This alignment supports internal equity, facilitates joint working with finance colleagues and ensures Bury remains competitive in a market where qualified procurement professionals are in short supply.

1.31.4 Apprentices

Procurement apprentices are included within the model to support workforce sustainability, succession planning and skills development. These roles will be aligned to the council's established apprentice bandings and will operate within a structured development pathway, gaining exposure to regulated procurement activity while building professional capability over time.

1.31.5 Career pathways and competency framework

All roles within the target procurement structure will sit within a single procurement competency framework. This framework will define expected skills, behaviours and performance levels at each grade, providing clarity on progression from apprentice through to senior leadership roles. The framework will support consistent performance management, targeted development and talent retention, while also enabling the council to grow future procurement capability internally and reduce long-term reliance on interim or agency support.

Taken together, the proposed grading structure balances affordability with realism, aligns procurement roles with established internal peers, and reflects market expectations for modern, savings-focused procurement functions in local government. It provides a credible platform for delivering the benefits set out in this business case while strengthening the council's long-term commercial capability.

1.32 Investment Costs and savings forecasts

Investment costs and savings are based Over 5 year. Assuming it start from 2026/27. Proposed staff costs are based upon permanent and transformation contract costs plus the implementation and ongoing costs of new systems.

Savings have been estimated on the basis of an annual procurement spend of £200m. A range of 2% to 3.5% is assumed as a realistic and conservative target for savings with a median of 2.75% used as the median for this business case, delivery a potential full gross savings of £5.5m per year based on estimated revenue spend. More data analysis to assess addressable spend and the split between Capital and Revenue procurement spend is needed to assess net savings ROI. This data was not made

available at the time of this business case. All financial projections in this business case are based on estimated addressable revenue spend only. Final net savings and ROI will be confirmed through a detailed segmentation of procurement data during mobilisation.

A step up in gross revenue savings year-on-year has been used to calculate saving as follows:

Annual Gross Revenue Procurement Savings	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	£1,000,000	£1,500,000	£2,000,000	£2,500,000	£3,000,000	£10,000,000

Annual Gross Procurement Savings is based on Revenue Spend Only and a working assumption of 50% Capital and 50% Revenue has been applied with the added assumption of an aggressive savings push in Year 1 with surge resources.

The table below shows the net investment costs and savings forecast over the five year period from 2026/27 to 2030/31. Staff costs include on-costs (top of grade).

Cost Benefits Analysis	26/27 Year 1	27/28 Year 2	28/29 Year 3	29/30 Year 4	30/31 Year 5	Total Costs
Revenue Costs						
Proposed Permanent Staff	£ 634,026	£ 634,026	£ 634,026	£ 634,026	£ 634,026	£ 3,170,130
Annual System Licenses	£ 150,000	£ 150,000	£ 150,000	£ 150,000	£ 150,000	£ 750,000
Sub Total Costs	£ 784,026	£ 784,026	£ 784,026	£ 784,026	£ 784,026	£ 3,920,130
Less Current Staff Costs	£ 384,800	£ 384,800	£ 384,800	£ 384,800	£ 384,800	£ 1,924,000
Net Revenue Variance/Cost	£ 399,226	£ 399,226	£ 399,226	£ 399,226	£ 399,226	£ 1,996,130
One Off 'Surge' Consulting	£ 250,000					£ 250,000
System Implementation Support	£ 67,500					£ 67,500
One-Off Sub Total Costs	£ 317,500	£ -	£ -	£ -	£ -	£ 317,500
Total Investment Costs	£ 716,726	£ 399,226	£ 399,226	£ 399,226	£ 399,226	£ 2,313,630
Less Procurement Savings						
Annual Gross Procurement Savings	£ 1,000,000	£ 1,500,000	£ 2,000,000	£ 2,500,000	£ 3,000,000	£ 10,000,000
Cost/Benefit Savings	£ 283,274	£ 1,100,774	£ 1,600,774	£ 2,100,774	£ 2,600,774	£ 7,686,370

1.33 Cost benefit analysis

The proposed procurement transformation programme involves investment in systems, staffing, and capability building to deliver sustainable improvements in third-party spend management. The total gross investment over five years, from 2026/27 to 2030/31, is £716,726 (Year 1) down to £399,226 (from Year 2 – ongoing revenue costs), reflecting system implementation, interim procurement staff whilst permanent recruitment is undertaken.

Initial investment is frontloaded, with peak expenditure in 2026/27 to support the mobilisation of core systems, notably AP automation and ScanMarket source2contract lifecycle tools. Costs stabilise in later years, reflecting ongoing operational delivery and optimisation.

Procurement savings are projected to rise steadily over the five-year period, starting at £1 million in 2026/27 and reaching £3 million annually by 2030/31. These forecasts

are based on a median savings assumption of 2.5% on a £200 million third-party spend base, assuming 50% of this spend is revenue related.

The resulting gross benefits demonstrate a strong return on investment:

- In Year 1, benefit is at 283k as a result of one-off investment.
- From Year 2 onwards, benefits significantly exceed costs, with gains rising to £2.6 million by Year 5.
- Total cumulative benefit over five years is projected at appropriately £7.6 million.

These results underline the value of sustained investment in procurement modernisation. However these benefits, including the actual net benefits, should be fully documented at the start of the delivery programme from Jan-26.

1.34 Value for Money

The analysis confirms that the proposed investment delivers a compelling and resilient financial return, supports the Council's strategic transformation aims, and addresses longstanding issues in procurement value, compliance, and efficiency. The model is scalable and adaptable to actual implementation progress, with a strong case for proceeding at pace.

The proposed investment represents strong value for money by enabling long-term operational savings, better contract management, and strategic sourcing. It also supports improved compliance with procurement legislation and policies, enables better data for decision-making, and reduces manual processing costs. The combination of automation, insight, and control provides a clear platform for procurement transformation.

1.35 Sensitivity Analysis: Financial Resilience based on gross savings/ROI

A two-way sensitivity analysis was used to test the robustness of the financial case by modelling a 20% increase in investment costs and a 20% reduction in procurement savings. This reflects potential delivery risks such as higher staffing or system integration costs, and slower realisation of benefits. The graphic below shows the impact over 5 years.

Procurement Investment: Full Sensitivity View
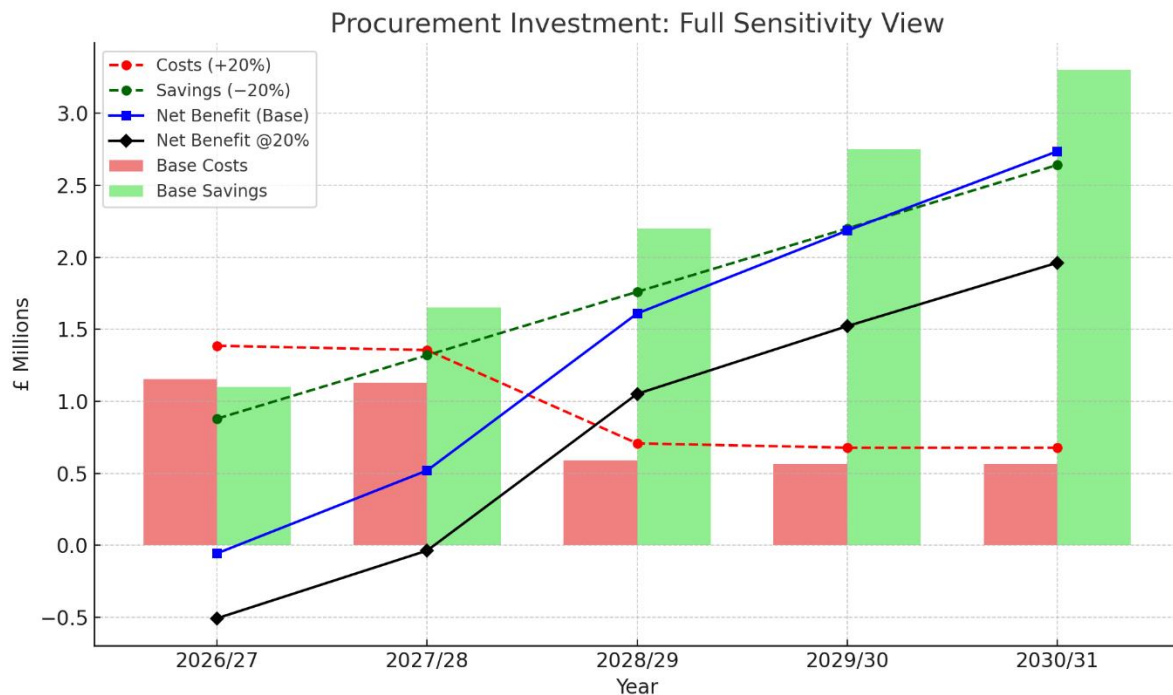
Even under these more conservative assumptions, the programme maintains a positive net benefit each year. While Year 1 delivers only a small surplus, benefits grow steadily from Year 2 onward, reaching £1.96 million in Year 5.

Over five years, the cumulative gross benefit remains strong at **£4 million**. This confirms the investment remains financially sound even in a more constrained scenario.

The analysis highlights the resilience of the procurement transformation model. With prudent cost control and effective delivery, the Council can expect a strong return while mitigating foreseeable risks.

Management Case

1.36 Introduction

This section sets out the approach that will be undertaken by the council to implement the new arrangements and to deliver the transformation programme that will secure the target efficiencies. It sets out the proposed governance to ensure that procurement efficiencies remain a high priority for the council, sets out the indicative road map to implement both the new staffing and system arrangements and also the design and delivery of a programme of transformation setting out the priorities and the project plan. The target benefits and risks to be managed and dependencies to be considered are also highlighted as part of this section.

1.37 Programme Governance

The corporate procurement team currently reports through to the Director of Finance, And this arrangement is proposed to continue. However as indicated in the proposed stuff in structure the status of the head of procurement should be considered as an assistant director to indicate its importance across the organisation alongside the scale of efficiencies that will contribute to the wider council priorities.

In terms of corporate governance the Council created a series of boards in 2024 to strengthen its overall strategic governance as a council. In this regard it would make sense that all repeat procurement activity is governed and overseen by the Finance Board, with possibly some relationship to the Commercial Board on major investment programmes.

For operational governance, it is proposed to that here procurement Steering Group be established to oversee day to day procurement activity, including Management off the annual pipeline, supply and contract management and review of contract spend, all of which can be reported up to the finance board.

A diagram shown these governance arrangements is shown below.
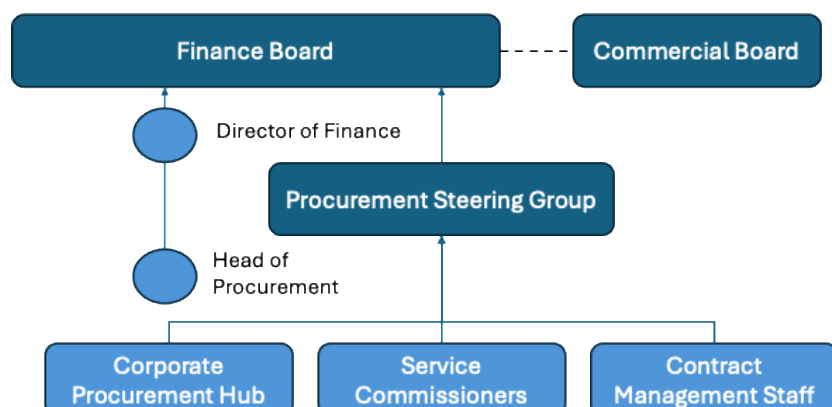
1.38 Roadmap

The council has a number of implementation pathways to deliver its procurement transformation covering the following areas:

- **Short term arrangements** - This covers the immediate opportunities in the current financial year as the council moves towards the new organisational structure for procurement and it's supporting transformation activities. A number of interim appointments have already been made which have not been included in this business case which will play a role in driving the securing of early transformation efficiencies.

- **Implementation of new Target Operating Model** - This will include the development of the proposed organisational structure, its subsequent implementation and the implementation of governance arrangements as described in this business case

- **System Implementation** - Alongside this the system is proposed in addition to the Unit4 ERP implementation will need to be procured implemented and tested including all data migration training and communication. Alongside this systems will need to be aligned to the Unit4 ERP implementation to ensure there is full harmonisation of systems.

- **Transformation Programme** - Alongside the development of the organisational structure should be a clear programme for the transformation of procurement which will take into account the planned pipeline of activity, priority targets and resource is needed to coordinate and fully implement the programme as the organisational structure is developed. It should be expected that a transformation programme would run over a one year. As the organisation builds up its capacity skills and knowledge so that transformation activities become a normal part of the new organisational structure.

The indicative road map is shown below and will be developed in full at the next stage of this work, subject to business case approval.

Key Tasks/Priorities	Jul-25-Sep-25	Oct-25-Dec-25	Jan-26-Mar-26	Apr-26-Mar-27	Apr-27-Mar-28
Business Case Approval	████				
Mobilisation – Systems and Structure Design		████			
Final Structure and Staff Consultation			████		
Structure implementation		Recruit Surge	████	Structure Go-Live	
Procure systems test and prep for go live	████████			Scanmarket Go-live	
Programme delivery		████████████████			
Secure BAU early efficiencies			████████████████		
Unit 4 Implementation	Phase A – Core Implementation			Unit 4 Go-Live – Phase 1 / Phase B – Enhancements	Unit 4 Go-Live – Phase 1

1.39 Project Plan

The next stage of this business case beyond its review and agreement is the development of a project plan for delivering the road map described above. This will need to take into account the delivery of the new Unit4 includes ERP modules, especially those in relation to procurement such as the marketplace and contract modules.

The project plan would also need to set out in specific detail the actions required to create the new organisational structure including job descriptions job profiles and job evaluation and beyond that the active recruitment of posts into the new structure. Alongside this it will need a specific plan to ensure that the implementation alignment and testing of new systems recommended in this business case.

The project plan is therefore not included in this business case at this stage and will be expected to be developed and delivered between Oct-25 through to implementation starting Apr-26.

1.40 Benefits Management

The procurement transformation programme will deliver significant benefits across financial, operational, and strategic dimensions, as follows:

- **Financially**, the programme is expected to deliver cumulative savings of over £10 million over five years, based on a median savings assumption of 2.75% on third-party spend. These savings will grow year-on-year and be sustained through improved sourcing, tighter contract management, and greater compliance.
- **Operationally**, the introduction of AP automation and procurement systems such as Scanmarket and Unit4 Marketplace will eliminate manual processes, reduce duplication, and enable better governance over supplier spend. This will allow teams to shift focus from transactional tasks to more strategic activity.
- **Strategically**, the establishment of a Corporate Procurement Hub will provide professional oversight across commissioning, procurement, and contract management, aligning procurement outcomes more closely with service objectives. The new structure will also support consistency, data-driven decision-making, and greater visibility of supply risks and opportunities.

Benefits will be tracked through a robust KPI framework, including PO compliance, contract register completeness, supplier rationalisation, and policy adherence. Quarterly benefit reviews will be embedded in governance through the Finance Board and Procurement Steering Group.

1.41 Risk Management

Procurement transformation presents a significant opportunity to drive savings, compliance, and strategic capability across the Council. However, it also introduces a range of delivery and operational risks that must be carefully managed to protect public value and sustain long-term improvement.

The risks span organisational, technical, behavioural, and external domains. Key risk categories include:

- **Delivery complexity**: Coordinating new systems, processes, and structures across multiple departments will require strong governance and programme leadership. Any delays or misalignment may impact benefit realisation.
- **Behavioural and cultural resistance**: Transitioning from a fragmented, reactive procurement model to a strategic, data-driven approach represents a substantial

shift. Resistance to policy enforcement, new systems, or changes in accountability could undermine outcomes.

- **Capability gaps**: While the business case includes new staffing and training, there is a risk that recruitment delays, skills shortages, or insufficient capacity limit the ability to operate the new model effectively.

- **Technology integration**: Full benefit realisation is dependent on successful implementation and integration of systems such as Scanmarket and Proactis with Unit4. Technical delays or configuration issues could disrupt operations.

- **Financial risk**: Upfront investment is required ahead of benefit realisation. Any overspend on transformation costs or delays in achieving savings could reduce the return on investment.

- **External factors**: Inflation, supplier market volatility, and regulatory changes could impact both costs and procurement outcomes. These external risks must be continuously monitored and mitigated.

To provide additional assurance, a structured risk register has been developed and is summarised in the Annex E.

1.42 Monitoring & Evaluation

A robust Monitoring and Evaluation (M&E) framework will be established to track the effectiveness and impact of the procurement transformation programme. This will ensure that intended outcomes are delivered, risks are actively managed, and lessons are continuously fed into ongoing improvement.

As part of developing a framework the Council should appropriately adopt the CCIAF and/or the LGA National Procurement Strategy Maturity Model to give structured and benchmarked frameworks to track progress in procurement capability and commercial performance. By embedding these models, organisations can baseline their current maturity levels across key themes such as strategy, contract management, and supplier engagement, and then use periodic self-assessments to measure improvements over time. This supports evidence-based decision-making and demonstrates a commitment to continuous improvement aligned with national standards.

Incorporating these frameworks also enables benchmarking against peers and provides a consistent method for evaluating the impact of transformation initiatives. The CCIAF's four-stage maturity scale offers detailed diagnostics for public sector organisations, while the LGA model helps local authorities assess procurement leadership, commercial behaviours, and delivery of community outcomes. Using these tools as part of ongoing monitoring supports transparency, strengthens governance and provides a clear line of sight between business case objectives and programme improvements to be delivered.

The framework should include a structured set of Key Performance Indicators (KPIs), aligned with the programme's core objectives: delivering value for money, improving compliance and control, enhancing efficiency, and strengthening strategic procurement capability.

KPIs will be tracked and reviewed quarterly by the Procurement Steering Group, with oversight from the Finance Board. Performance dashboards will support operational visibility and strategic assurance.

Initial KPIs will be developed during mobilisation and refined as the Procurement Hub matures. Indicative measures could include the following:

- % of third-party spend under contract
- % of invoices matched to POs (invoice match rate)
- % of spend compliant with "No PO, No Pay" policy
- Value and number of tenders conducted through compliant routes
- Contract register completeness and renewal timeliness
- Realised savings vs forecast
- Supplier rationalisation (% reduction in supplier base)
- % of spend influenced by category strategies

KPI data will be sourced from the new digital systems (Unit4, Proactis, Scanmarket), supported by the Procurement Hub's data function. This will also feed into formal benefits realisation reporting.

The KPI framework will support performance monitoring, decision-making and accountability. As the procurement function becomes embedded and matures, KPIs will evolve to reflect wider service delivery outcomes and supplier performance.

Next Steps

Following submission of this Outline Business Case, the next step will be formal review and approval by senior officers and members, in line with the Council's governance arrangements. Subject to approval, the programme will move into mobilisation and early implementation during the remainder of 2025/26.

Between now and April 2026, a number of activities will be undertaken to establish the conditions for successful delivery:

- **Completion of Organisational Design:** final design of the organisational structure, development of job descriptions and person specifications and job evaluation
- **Communication and Consultation:** part of the change management process to move from the current structure and ways of working to the new corporate procurement hub and staff structure
- **System procurement and implementation**: Procurement and ongoing implementation to secure AP automation and Scanmarket modules via the existing Unit4 framework. Implementation planning, configuration, and testing will follow immediately.
- **Recruitment to the Corporate Procurement Hub**: Appointment of key leadership and operational roles within the new structure to drive delivery and embed new practices.
- **Programme mobilisation**: Development and mobilisation of a temp 'surge' resource to deliver transformation delivery plans, savings from day 1 and meet the aims and objectives of the business case with reporting lines to ensure oversight through the Finance Board and Procurement Steering Group.
- **Policy and process development**: Drafting and rollout of revised procurement policy, including enforcement mechanisms such as "No PO, No Pay" and category planning.
- **Engagement and communications**: Stakeholder engagement across departments to prepare, train and communicate with service areas for the shift in policy, systems, and expectations.
- **Baseline and KPI development**: Establishment of baseline procurement data and development of an initial KPI dashboard to enable early monitoring and benefits tracking.

By April 2026, the Council aims to have the new staff structure and key systems in place, a partially mobilised hub, alongside a live roadmap and programme for transformation contract priorities, procurement pipeline, processes and ways of working, phasing in new controls, practices and performance reporting – making a decisive shift to a modernised procurement model at Bury Council.

Annex A – Functional Activities Description

Design & Commissioning	Procurement Management	Contract Management
• Market & Supplier Shaping • Co-Design of Services • Specification Development • Early Market Engagement • Commissioning Planning	• Procurement Strategy & Governance • Category Planning and Sourcing • Supplier Onboarding & Aggregation • Procurement Process Management • Contract Lifecycle Management • Compliance, Risk & Spend Analytics • Framework & System Management	• Supplier Relationship Management • KPI and Outcome Monitoring • Performance & Cost Control • Compliance Reporting • Renewal & Exit Planning

1. Design & Commissioning

This activity focuses on defining service needs, engaging the market early, and laying the groundwork for effective procurement.

- **Market & Supplier Shaping**: Understanding and influencing the supplier landscape to ensure the right market conditions and capacity exist to meet service needs.
- **Co-Design of Services**: Collaborative development of service models with internal stakeholders, providers, and service users to ensure alignment with outcomes.
- **Specification Development**: Drafting clear, outcome-focused specifications that define what is being procured and the expected standards of delivery.
- **Early Market Engagement**: Conducting soft market testing, supplier events, and dialogue to gauge interest, inform specifications, and foster competition.
- **Commissioning Planning**: Aligning commissioning intentions with budget, strategy, and procurement timelines to ensure readiness and coordination across services.

2. Procurement Management

This activity ensures procurement is strategically managed, compliant, and delivers value through effective tools, governance, and processes.

- **Procurement Strategy & Governance**: Setting policies, standards, and strategic direction for procurement across the organisation.
- **Category Planning and Sourcing**: Grouping similar areas of spend to enable strategic sourcing, aggregation, and economies of scale.

- **Supplier Onboarding & Aggregation**: Managing supplier registration, due diligence, and consolidating supplier relationships for efficiency and control.
- **Procurement Process Management**: Executing compliant and efficient tendering processes, from advertisement to award.
- **Contract Lifecycle Management**: Overseeing contracts from initiation through to renewal or exit, ensuring performance, compliance, and continuity.
- **Compliance, Risk & Spend Analytics**: Monitoring procurement activity to ensure compliance, manage risks, and provide data-driven insights into spend and supplier performance.
- **Framework & System Management**: Managing corporate procurement systems and frameworks to enable consistent, efficient, and controlled procurement processes.

3. Contract Management

This activity ensures that contracts deliver what was agreed, suppliers are held to account, and risks are actively managed throughout delivery.

- **Supplier Relationship Management**: Building structured, collaborative relationships with key suppliers to drive performance, innovation, and continuous improvement.
- **KPI and Outcome Monitoring**: Tracking contract-specific performance indicators and service outcomes to ensure commitments are being met.
- **Performance & Cost Control**: Monitoring quality and financial performance to prevent drift, overspend, or underperformance.
- **Compliance Reporting**: Regularly reporting on adherence to contractual, regulatory, and ethical standards.
- **Renewal & Exit Planning**: Preparing for contract expiry or transition by planning retendering, renewal decisions, and exit strategies well in advance.

Annex B – Target Operating Model Functional Breakdown

1. Strategic Leadership and Governance

- **Procurement strategy development** aligned with council-wide priorities to ensure consistency and clarity of purpose.
- Development and enforcement of procurement policy, procedures, and standards to drive compliance and professionalism across the organisation.
- **Governance, risk management, and regulatory compliance**, particularly with frameworks such as the Public Contracts Regulations (PCR 2015).
- **Social value, climate targets, and ethical sourcing** embedded as standard considerations in all procurement activities.
- **Market engagement and innovation facilitation**, including early supplier dialogue and events such as supplier days to open up opportunities and foster innovation.
- **Oversight and assurance** provided to Cabinet, Audit Committee, and senior leadership to ensure transparency, accountability, and value for money.

2. Category and Contract Lifecycle Management

- **Strategic category management**, involving close engagement with service leads and commissioners to drive informed, efficient sourcing decisions.
- **Liaison with service design and commissioning** to align procurement activity with outcomes and service needs.
- **End-to-end contract lifecycle management** — covering planning, mobilisation, monitoring, and renewal or exit to ensure continuity and performance.
- **Framework development and management** to enable compliant, flexible, and efficient routes to market.
- Supplier performance monitoring and relationship management to drive continuous improvement and accountability.
- **Coordination of procurement pipeline planning and aggregation**, identifying opportunities across departments to reduce duplication and improve efficiency.

3. Sourcing and Commercial Delivery

- **Execution of compliant tendering processes** (e.g. RFQs, RFPs, ITTs) to ensure fair competition and best value.
- **Market research and benchmarking** to inform sourcing strategies and understand cost drivers.
- **Commercial negotiation and value engineering** to optimise pricing, terms, and contract outcomes.

- **Co-design of specifications with services** to ensure procurements are fit for purpose and aligned with operational needs.
- Embedding outcome-based contracts and commercial incentives to encourage high performance and service innovation.
- **Development of commercial offerings** for traded services or external income generation where appropriate.

4. Spend Control and Operational Efficiency

- **Financial reporting from Unit4** to assess the impact of procurement activities and support budget management.
- **Spend analysis** to enhance service-level accountability, identify overspend, and support savings initiatives.
- **Systematic management of contract and supplier data** to ensure visibility, traceability, and informed decision-making.
- **Use of e-procurement tools** (e.g. Proactis, Unit4) to standardise, streamline, and automate procurement transactions and workflows.
- **Demand management and procurement planning** to reduce waste, avoid duplication, and align purchases with strategic objectives.

5. Insight, Capability and Performance

- **Dashboards and reporting tools** for services, finance, and leadership to support data-driven decisions and oversight.
- **Evaluation of procurement impact** — covering savings, delivery performance, social value, and risk mitigation.
- **Training and development** programmes for procurement staff and commissioning colleagues to build capability and confidence.
- **Knowledge sharing and advisory support** across departments to ensure good practice is embedded organisation wide.
- **Response to FOI requests and public interest queries**, including the management and publication of contract registers and spend data to support transparency and accountability.

Annex C – Systems Investment to deliver procurement transformation

This overview annex outlines the three key procurement-related system options proposed, with an emphasis on what each delivers, the benefits they offer, and indicative costs.

Unit4 ERP with Marketplace Enhancements

Unit4 ERP forms the core of Bury's financial system and includes a procurement module that supports ordering, invoice matching, and internal control over spend. An optional enhancement is the Marketplace product, which allows catalogue-based ordering from approved suppliers. This helps reduce reliance on purchasing cards and supports better compliance with procurement rules.

The Marketplace acts as a one-stop shop for internal users, enabling structured purchasing and helping enforce "No PO, No Pay" policies. It is particularly effective when combined with tighter financial controls and complements other automation and governance improvements.

While costs for the Marketplace product are generally wrapped into the broader ERP programme, its benefits include reduced maverick spend, improved visibility of commitments, and better auditability of transactions.

Proactis AP Automation Module

Proactis provides an invoice capture and automation solution, integrated with Unit4, designed to reduce manual effort in accounts payable. Invoices are scanned and interpreted using AI and OCR, then matched to POs with minimal human involvement. The system includes a "Query Desk" for handling exceptions and enables suppliers to generate invoices directly from purchase orders (PO Flip), improving accuracy.

In practice, organisations achieve 68%+ straight-through processing rates, rising to 98% where Proactis manage the query service. This dramatically reduces the time finance teams spend on invoice handling, cuts errors, and improves supplier discipline over time. It also helps drive compliance with "No PO, No Pay" policies by flagging or rejecting invoices without valid Purchase Orders (PO's)

The estimated implementation cost is around £32,000 for processing 60,000 invoices per year. A managed service and additional modules like Supplier Relationship Management (SRM) are optional, allowing the council to scale the solution over time. There is proven value from similar implementations, such as at Wigan Council, where AP automation led to over £120k in annual savings.

Scanmarket – Contract Lifecycle and Spend Management

Scanmarket, delivered through Unit4, provides two key modules: Contract Lifecycle Management and Spend Analytics. These support better oversight of contracts,

ensure alignment with the Procurement Act 2023, and give visibility into spending patterns across the council.

The Contract Management module acts as a central repository for storing and monitoring contracts, including key metadata such as value, expiry, and supplier details. Spend Analytics uses AI to categorise and visualise council-wide spend, helping to identify compliance issues, aggregation opportunities, and pricing variances.

Scanmarket currently relies on manual integration for Procurement Act reporting, with standard API functionality expected by 2027. It supports publishing contract KPIs (e.g. for contracts over £5m) and allows full customisation of metadata fields to enhance reporting and automation. DocuSign is the default for contract signing, though integration with other platforms is possible.

The system includes comprehensive dashboards for spend and contract analysis, such as local supplier reporting by geography. Contract ownership can be assigned flexibly between procurement and services, with financial accountability aligned to service cost codes. It also features project management tools that align suppliers to processes, and while Scanmarket does not natively manage catalogues, it can integrate with Unit4 via Proactis using punch-out functionality.

The proposed cost for the combined solution with ERP integration is approximately £49,000 per year, with a one-off implementation fee of around £41,000. A higher-specification option that includes supplier management functionality increases these costs. Onboarding is relatively straightforward, with an estimated implementation time of 8–12 weeks. However, these tools work best when part of a broader procurement transformation programme. On their own, they offer insight and governance, but not direct efficiency savings.

Summary of Indicative Costs and Focus Areas

System	Indicative Annual Cost	One-Off Cost	Key Benefits
Unit4 ERP + Marketplace	Included in ERP scope	N/A	Better internal ordering, reduced maverick spend
Proactis AP Automation	~£35k plus query desk service as an option	£35k	High invoice automation, PO compliance, reduced AP workload
Scanmarket (Contract/Spend)	~£90k	£33k	Contract visibility, spend insight, supports legal compliance

Examples of Contract Lifecycle and Contract Spend Dashboards

Contract Lifecycle Management
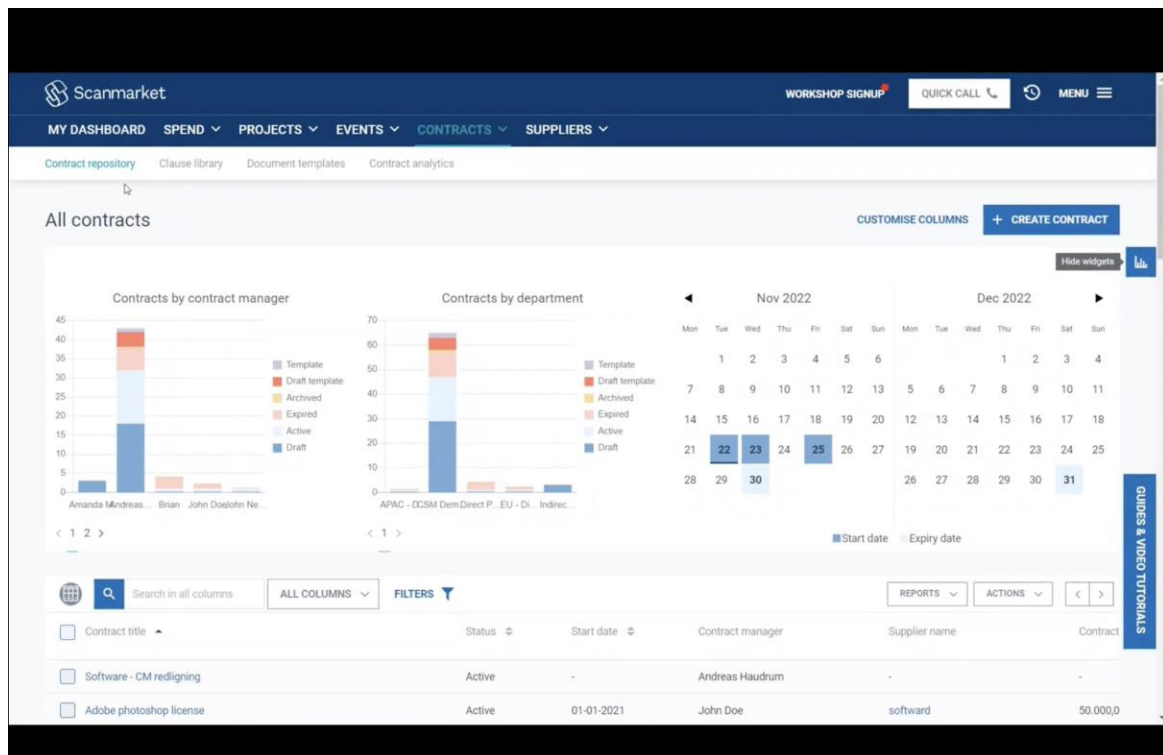
Contract Spend Analysis
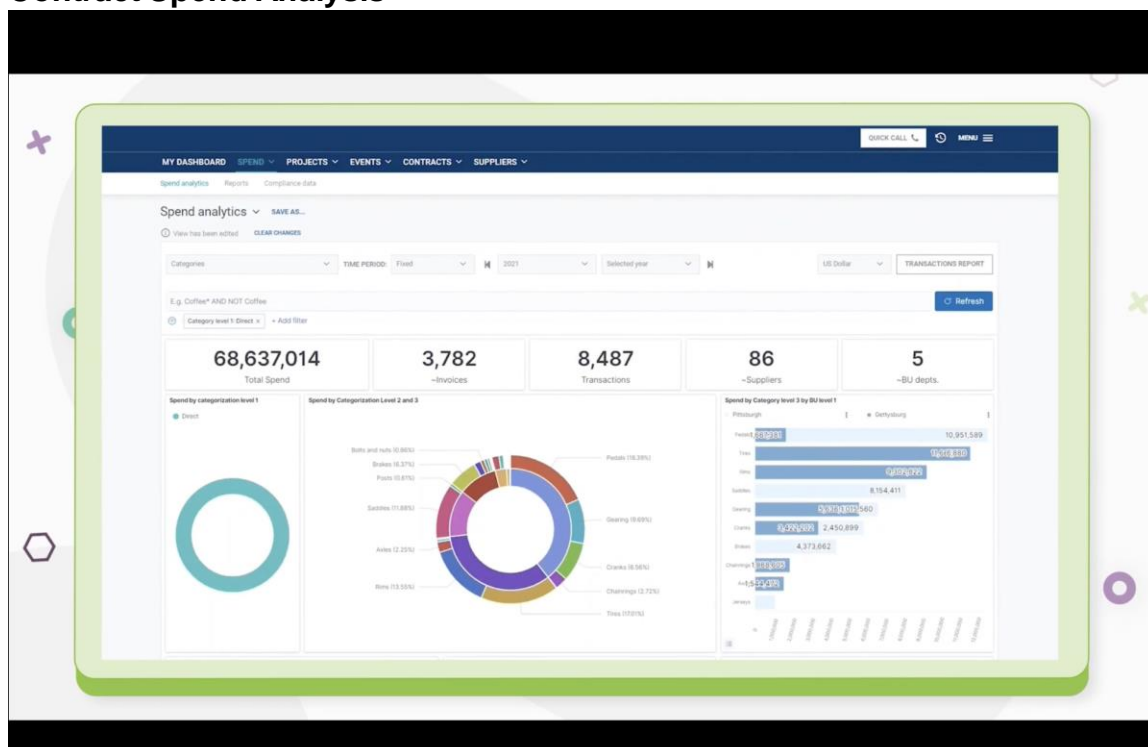
Annex D – Present and Proposed Costs

Present staff Costs						
Post	Status	Salary		Salary plus On-costs	
Head of Service	Contract	£	70,000	£	91,000
Procurement Manager	Permanent	£	45,000	£	58,500
Procurement Officer	Permanent	£	42,000	£	54,600
Procurement & Contract Officer	Permanent	£	55,000	£	71,500
Agency other	Contract	£	84,000	£	109,200
Total Costs (excluding on-costs)	**4**	**£**	**296,000**	**£**	**384,800**
Proposed Revenue Costs - Staffing - Corporate Procurement Hub	Grade		Salary		Salary plus On-costs
Head of Procurement	Band B	£	76,485	£	100,698
Category Manager - Corporate Core	SM1	£	57,057	£	74,802
Category Manager - Health & Care	SM1	£	57,057	£	74,802
Category Manager - Children & Young People	SM1	£	57,057	£	74,802
Category Manager - Housing HRA	SM1	£	57,057	£	74,802
Procurement Officer - General	G12	£	44,075	£	58,530
Procurement Officer - General	G12	£	44,075	£	58,530
Procurement Officer - General	G12	£	44,075	£	58,530
Procurement Officer - General	G12	£	44,075	£	58,530
Procurement Apprentice	G6	£	25,989	£	34,205
Procurement Apprentice	G6	£	25,989	£	34,205
Sub-Total	**11**	**£**	**481,013**	**£**	**634,026**
One-Off 'Surge' Costs - Agency or Consultancy	Status		Costs		
Consulting Procurement Advisory Resource (12 months)	*External Agency/Contract*	*£*	*250,000*		
Surge Sub Total Costs		**£**	**250,000**		
Systems Costs - Scanmarket					
Scanmarket - Spend Analysis	3rd party	£	32,500	£	32,500
Scanmarket - Contract Lifecycle	3rd party	£	32,500	£	32,500
Scanmarket - Contract & Project Mgt	3rd party	£	25,000	£	25,000
Implementation costs	*3rd party*	*£*	*32,500*		
Sub Total Costs		**£**	**122,500**	**£**	**90,000**
System Costs - Proactis AP Automation					
Proactis	3rd party	£	35,000	£	35,000
Query Desk (annual)	3rd party	£	25,000	£	25,000
One off implementation	*3rd party*	*£*	*35,000*		
Sub Total Costs		**£**	**95,000**	**£**	**60,000**
Total Costs		**£**	**467,500**		
Total Gross Investment Costs				**£**	**784,026**
Less present Costs				£	384,800
Net Annual Revenue Costs		**£**			**399,226**
One-Off Costs		**£**			**317,500**

Annex E – Risk Table – Procurement Transformation

Procurement Transformation - Delivery Risks				
Risk Category	**Description**	**Likelihood**	**Impact**	**Mitigation Measures**
Programme Delivery	Delay in system implementation or TOM go-live	Medium	High	Robust governance, phased planning, dedicated programme management
Cultural Resistance	Staff or services resist change, undermining new ways of working	High	Medium	Stakeholder engagement, training, and visible leadership support
Capability Gaps	Inability to recruit or retain key procurement roles	Medium	High	Competitive recruitment, early workforce planning, use of interim staff
Technology Integration	Unit4, Scanmarket, and Proactis fail to integrate seamlessly	Low	High	Vendor assurance, staged rollouts, strong technical PMO
Compliance Risk	Continued policy non-compliance by departments	Medium	Medium	Enforcement through system controls, policy refresh, KPI tracking
Financial Overspend	Investment costs exceed forecast	Low	Medium	Contingency included, financial governance embedded
Supplier Market Volatility	Unpredictable pricing or limited supplier responses to tenders	Medium	Medium	Strong pre-market engagement, use of frameworks
External Policy Change	Future legislation changes compliance expectations	Low	Medium	Ongoing horizon scanning, policy agility