

BRIEFING TO: FINANCE & BUDGET SCRUTINY COMMITTEE

SUBJECT: SAVINGS THROUGH PROCUREMENT

DATE: 15 NOVEMBER 2011

A Procurement Task Force has been set up to champion effective and efficient procurement across the Council. The group is chaired by the Head of Governance and membership is made up of Service Delivery Managers from each service delivery area, representatives from Legal and Audit and the group is supported by the Corporate Procurement Team. Cllr Bill McClements and Clive Elliott also attend the Task Force meetings. The group works together to:

- Ensure continued efficient and effective procurement activities in their service areas
- Report actual savings as they are realised
- Share information on current negotiations to reduce costs and any challenges faced
- Provide detailed information on how current contracts are being managed
- Take the lead in supplier management where contracts pass over a number of areas
- Identify procurement and negotiation training and skills gaps for officers
- Look for opportunities to aggregate spend and put corporate contracts in place
- Look for opportunities to cancel contracts where provision can now be managed in house.
- Look for opportunities to avoid procurement all together by use of existing local and regional arrangements, shared services or innovative service provision

SMT has already identified specific proposals totalling £2.2m that they expect to be secured during 2012/13, £890k for 2013/14 and £500k for 2014/15 but will try and deliver savings earlier wherever possible.

Since the Task Force formed in September 2011 they have

- Reviewed contractual relationships with our top 60 suppliers and suppliers paid over £100k in the last financial year to ensure that these contracts provide value for money and, where practicable, to negotiate improved rates or create capacity and flexibility allowing more services to be delivered at the same cost.
- Worked with the Improvement and Efficiency Partnership to health check the approach and identify potential opportunities not yet accessed, including an energy audit, and work on commissioning in adults' and childrens' care.
- Developed a comprehensive contracts register which will be a key source document to monitor savings and manage all contracts over £50k in the Council and feed into the transparency agenda.
- Worked to change the procurement culture to ensure best value for all contracts from specification through to contract management.
- Adopted a market category approach for reviewing social care contracts rather than supplier specific.

Procurement remains a standard agenda item at SMT and Policy Review so that progress can be closely monitored at all levels.

Report prepared by Sarah Bass - Strategic Procurement Service Delivery Specialist.