

PROCUREMENT UPDATE

REPORT OF ASSISTANT DIRECTOR OF GOVERNANCE, PROCUREMENT AND COMMISSIONING

LEAD CABINET MEMBER – CLLR LEE CARTER

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

A regular report for Members to consider the update of the Council's Procurement Intentions Document and update them on the latest information regarding effective procurement and contract management

2. RECOMMENDATION

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| 2.1 | Cabinet to note the procurement updates in this report |
| 2.2 | Cabinet to note the Procurement Intentions Document (Appendix 1) and where indicated, approve delegation to the appropriate officers (as per the Contract Procedure Rules) to progress new procurements through the tender process to contract award |

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	Best value procurement in line with the Contract Procedure Rules promote engagement of local suppliers and stakeholders
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	The Procurement Intentions Document is a live document regularly updated by SDMs throughout the year with updates to Cabinet every 4 to 6 months dependent upon activity.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The award of contracts should be within the approved budgetary framework and in accordance with the financial strategy. The medium term strategy includes the Council pursuing ongoing savings, with £110m being delivered since 2010, expected to rise to £117m by the end of this financial year and between £20m and £25m required over the following 2 years. The delivery of future cuts will become increasingly challenging as local government continues to face Government funding reductions. Delivering savings through effective procurement is therefore an important feature of the budget strategy with over £11.6m being identified over the last 8 years and a further £1.83m expected through the procurement and re-procurement of contracts and

		services during the next 2 years. Active contract management also ensures continued value for money is achieved through the life of contracts. Improving social outcomes through the procurement process could also lead to reduced demand on services and potentially lower costs. TAS 9.8.18
LEGAL ISSUES	Yes	The procurement intentions document, Appendix 1, is both transparent for all businesses to be able to see and prepare for forthcoming procurements that the Council will be undertaking but also is a transparent process to evidence appropriate delegations to officers. The delegations sought in this report are for officers to be able to commence and complete the procurement activity detailed in Appendix 1 and for contracts to be executed, depending upon their value, either under seal or under hand. All contracts must comply with relevant EU requirements as well as provisions contained within the Council's Contract Procedure Rules and advice will be provided by the Strategic Procurement Team and/or Legal Services, if appropriate. EH 7.8.18
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The Procurement Intentions Document is published externally. This helps the Council's supply chain prepare for up and coming tender opportunities.
IMPACT ON SPECIFIC WARDS	No	

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

- 4.1 Council wide procurement continues to drive savings through robust competitive tendering and real time negotiation when brokering services. Where there is a cost improvement plan in place, procurement savings will be reported against this. In other areas, savings are reported through the Service and Financial Planning route.
- 4.2 The National Procurement Strategy 2018¹ has just been published following consultation with councils across the country. The strategy has considered the major changes that have taken place since it was initially launched in 2014 such as the new Public Contract Regulations in 2015, the introduction of Combined Authorities, further significant cuts to government funding, and challenges face by public sector organisations following the collapse of key businesses in the national supply chain. The Strategy looks to focus councils' best practice procurement by:

Driving Community Benefits through

- Obtaining social value
- Engaging local SMEs and Micro Businesses

¹ <https://www.local.gov.uk/national-procurement-strategy>

- Enable Voluntary Engagement

Showing Leadership by

- Engaging with councillors and senior managers
- Working with partners
- Engaging strategic suppliers

Behaving Commercially (including making savings) by

- Creating commercial opportunities
- Managing contracts and relationships
- Managing strategic risk

These themes are underpinned by four enablers which very much link with our own 'being the change approach' and are:

Developing talent
Exploiting digital technology
Enabling innovation
Embedding change

- 4.3 When we assessed ourselves against the 2014 Strategy we reported that we needed to focus on strategic supplier relationships, train our staff and have robust savings and action plans in place. This report confirms that strategic relations are now in place with our key providers and partners, we have an active eLearning and face to face training offer to meet the needs of all employees and savings plans are in place across all service areas. However, there is still scope for development in the areas detailed in 4.2 above.
- 4.4 SDMs will be invited to join a session to benchmark ourselves against the new strategy. This will enable us to establish where we now are and our future aspirations for the next 5 years. We will use the findings to produce a local strategy with an action plan to help us deliver sustainable services and goods within our communities in line with the national strategy.
- 4.5 Attached at Appendix A is the latest procurement intentions document for consideration.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

6. PREVIOUS MINUTES

Procurement Update CB-171 19th April 2018

7. BACKGROUND PAPERS

Report prepared by Sarah Bass, Commissioning Procurement & Brokerage Ext 82470