

**MEMBER LED REVIEW – ‘GETTING MAXIMUM VALUE FOR MONEY IN PROCURING GOODS, SERVICES AND WORKS’**

*To:* Cabinet

*Date:* 15 June 2010

*From:* Corporate Services Scrutiny Committee

*Electoral division(s):* All

*Forward Plan ref:* N/A *Key decision:* No

*Purpose:* **To present the findings and recommendations from a Member Led Review of the Council’s procurement arrangements.**

*Recommendation:* **That Cabinet:**

- 1 Consider the Corporate Services Scrutiny Committee review (attached as Appendix A).**
- 2 Support the recommendations set out in the report.**

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## 1. BACKGROUND

- 1.1 The Corporate Services Scrutiny Committee received a report at the meeting on the 21<sup>st</sup> September 2009, which provided an overview about the ways in which the Council purchases goods, services and works (procurement).
- 1.2 The Committee had concerns about the following:
- The Council's ability to negotiate best value
  - Finding a way through corporate restrictions
  - The ownership of the procurement process
  - The Council's relationship with small and medium sized businesses.
- 1.3 A sub group was established to review the topic further. Councillors Nick Clarke (Chairman), Steve Tierney and Michael Williamson agreed to form the sub group.
- 1.4 The terms of reference for the review were subsequently agreed by the Committee at the meeting on the 2<sup>nd</sup> November 2009.

## 2. FINDINGS

- 2.1 The review group considered evidence from a range of sources including:
- Guidance produced from a range of national organisations such as the UK Audit Agencies, the Office of Government Commerce and the Improvement and Development Agency for Local Government
  - Discussions with several procurement leads across the Council's services and the Cabinet Member for Resources and Performance
  - Case study information: particularly regarding Leicestershire County Council which has been externally recognised as high performing in relation to procurement practices
- 2.2 **The groups' report, attached as Appendix A**, provides a strategic analysis of the Council's current procurement arrangements and makes 11 recommendations for improvement in the following key areas:
- Leadership
  - Skills Deployment and Development
  - Systems and Processes
- 2.3 The review group anticipates that implementation of the recommendations would enable the Council to achieve greater value for money from its procurement activities.

## 3. SIGNIFICANT IMPLICATIONS

### Resources & Performance

### Finance

- 3.1 It is anticipated that the implementation of the Scrutiny Committee's recommendations would enable the Council to attain significantly improved value for money from its procurement of goods, services and works.

### ICT

- 3.2 Recommendations 8, 9, 10 and 11 are focussed on improving the collection and use of management information and to ensure that procurement transactions are carried out as efficiently as possible.

### Human Resources

- 3.3 The review proposes that a Category Management procurement model, led by a Head of Procurement, should be adopted. It is suggested that this could be facilitated through redeployment of existing procurement resources within the organisation. Recommendations 6 and 7 also propose that procurement professionals should be supported in their roles through appropriate training and performance management.

### Best Practice

- 3.4 The review draws extensively upon best practice, particularly in relation to the Category Management procurement model. These sources are referenced in section 11 of the report.

### **Statutory Duties/Requirements and Partnership working**

- 3.6 There are no significant implications for any of the headings within this category arising within the review.

### **Climate Change**

- 3.7 There are no significant implications for any of the headings within this category arising within the review.

### **Access and Inclusion**

- 3.8 There are no significant implications for any of the headings within this category arising within the review.

### **Engagement and consultation**

- 3.9 There are no significant implications for any of the headings within this category arising within the review.

### **Source Documents**

### **Location**

### **Contact**

Referenced in section 11 of the attached Member Led Review Report

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