

Audit Committee

22 March 2018



Title	Procurement Strategy		
Purpose of the report	To note		
Report Author	Sandy Muirhead/Damola Aladesium		
Cabinet Member	Councillor Tony Mitchell	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	To note the Procurement Strategy and action plan.		
Reason for Recommendation	Procurement is more important today as local authorities have experienced significant cuts in central government funding but is also making significant purchases. We need to procure effectively and ensure good contract management.		

1. Key issues

- 1.1 Local communities and taxpayers depend on the Council's ability to effectively commission essential public services and to commercially manage suppliers.
- 1.2 The Council needs to take a leadership role and modernise and commercialise our approach to procurement in terms of technology, practices and procedures. This not only involves e-procurement but identifying opportunities for partnership and cross-section working to maximise effectiveness and identification of savings.
- 1.3 Procurement's role in an organisation is both 'strategic' and 'operational' but its ability to bring strategic direction is not always recognised either from within or outside our own organisations. Due to ongoing financial pressures we need to ensure money is spent wisely and strategically look at, and set, clear objectives for procurement and contract management to help deliver savings. The attached strategy (Appendix 1) aims to provide direction.
- 1.4 As Councils there is a need to make greater contributions to local economies and maximise the economic, social and environmental benefits to communities from every pound that is spent. In procuring goods and services therefore need to consider that spend with SMEs and VCSEs can make a very significant contribution to local economic growth. This assists in meeting our duties under the Social Value Act.
- 1.5 As of September 2017 the appointment of a Procurement and Contracts manager has enabled us to start fully implementing the strategy (and

associated actions on procurement) including ensuring our contract register is up to date.

- 1.6 The strategy (Appendix 1) and the action plan (Appendix 2) provide a strategic approach with practical implementation through the action plan to improve our commissioning and procurement approaches. It also enables implementation of audit recommendations from July 2017. Appendix 3 proposes changes to contract standing orders to improve transparency. These require constitutional approval if they are to be implemented so it is intended to submit to Cabinet and then Council in due course.

2. Options analysis and proposal

- 2.1 The strategy proposed in late 2016 required updating with the arrival of the procurement and contracts manager, not to do so would negate the positive effects of having a fully qualified procurement and contract manager.
- 2.2 It is therefore recommended the strategy is adopted and the action plan noted.

3. Financial implications

- 3.1 There are no direct financial implications at this time but a better appreciation by the organisation of effective procurement should result in future financial savings and better delivery to our communities

4. Other considerations

- 4.1 The proposed sustainability policy is incorporated into the strategy and social value and Equality and Diversity, is also covered following the National Procurement strategy Guidelines

5. Timetable for implementation

- 5.1 Appendix 2 provides the action plan for implementation of the strategy
Appendix 3 Proposed Contract Standing Orders

Background papers:

Appendices:

Appendix 1 Procurement Strategy

Appendix 2 Action plan 2018-2021

Appendix 3 Proposed changes to contract standing orders