

Corporate Policy and Resources Committee



10 October 2022

Title	Procurement Actions Update Report
Purpose of the report	To note
Report Author	Hilary Gillies, Interim Corporate Procurement Manager
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Affordable housing Recovery Environment Service delivery
Recommendations	Committee is asked to: Note and provide feedback on progress of the actions in the Procurement Action Plan.
Reason for Recommendation	<i>Corporate Policy and Resources Committee has requested regular Procurement updates and Procurement attendance at Committee meetings where Procurement is a considered aspect of a report.</i> <i>The report provides an update on the key actions in the Procurement Action Plan. Additional key actions will be added on a continuous improvement basis.</i>

1. Summary of the report

- 1.1 This report seeks to advise and update Corporate Policy and Resources Committee of the progress against the actions in the Procurement Action Plan, and seeks to gain feedback on the progress and direction of travel.

2. Key issues

- 2.1 The Leader of the Council has requested a Procurement update as a standing agenda item at the Corporate Policy and Resources (CP&R) Committee

meeting (and other meetings as appropriate), to provide assurance that the Corporate Procurement Team is sighted on, and contributes, to the delivery of key projects.

- 2.2 This update asks members to note progress against the Procurement Action Plan key actions and provide feedback and consideration of any further actions that may be required.
- 2.3 The key actions, set out in the Procurement Action Plan are as below, namely to:
 - (a) Improve SBC's contract data, contract management and adherence to the Local Government Transparency Code obligations
 - (b) Ensure Procurement is sufficiently resourced to support Procurement projects, in accordance with Contract Standard Orders
 - (c) Manage and maintain Corporate Procurement policies and procedures, including the Procurement Strategy, Procurement Policy and all other procurement procedures approved in October 2021, and draft new policies as required
 - (d) Reinststate the Procurement Project Board to ensure that Procurement, Legal and Finance have early sight of all projects over £40k
 - (e) Ensure Corporate Procurement has early visibility of Service Plans for all Services
 - (f) Improve compliance with the Council's Contract Standing Orders and monitor non-compliance (exemption reports, etc.)
 - (g) Ensure SBC is prepared for the changes implied by the emerging new Procurement Bill, expected in March 2023.

3. Progress against key actions

- 3.1 a) Improve contract data, contract management and adherence to the Local Government Transparency Code
 - The Transparency Code requires that Local Authorities publish data on how money is spent; use of assets; decision making etc. This includes publishing procurement and contracts information.
 - A master Contracts File has been developed and updated by Legal Services and Corporate Procurement. This represents a complete list of all contracts, live and expired, held in the Legal Services deeds room.
 - There are 378 valid contract lines on the master Contracts File. At the end of August 57 lines of contract data were verified and published on the Council's website. The remaining lines have been validated and published in September.
 - The review process identified several contracts that need extending or renewing. Corporate Procurement is working through these with the lead officers, and where further work is required, the projects have been added to the Procurement project plan.

- Legal Services and Corporate Procurement are establishing a workflow to ensure that any new contracts are added to the Contracts File and published monthly.
- Earlier this year, a growth bid was approved for a new e-tendering and Contracts Management system. Corporate Procurement is finalising arrangements for the procurement of this system, and the Contracts File will be used as a data download to populate the new system.
- The new system has an alert functionality which prompts the lead contract officer to renew a contract which is due to expire and builds in sufficient time for the re-procurement. For larger, higher value and more complex projects, the timeframes for renewal can be significant; often around 6 months if subject to the Public Contracts Regulations (PCR) 2015.
- A key focus for the Corporate Procurement team now is the review of contract arrangements for key service contracts, considering whether the scope of the contract is still valid, and where there may be opportunities for cashable savings.

b) Ensure Procurement is resourced to support procurement projects

- SBC's contract standing orders require that the Corporate Procurement team support all procurement projects with a value of £40k or more. This requires that the team is sufficiently resourced to be able to provide wider support, often with technical expertise in critical areas.
- We are implementing a category management approach to procurement, which will allow us to focus on specific areas to improve the quality of the sourcing process. We will provide further and dedicated support, via the Corporate Procurement Manager, to help the Assets team with the planned development, property, repair and maintenance projects that they have planned.
- The team are recruiting a Procurement apprentice. The 18-month post was recently advertised and received 10 applications. We have shortlisted 4 candidates, and interviews will take place in late September / early October.
- Enabling the category management approach will require a further resource, and Corporate Procurement is reviewing this to identify what is needed.
- There are currently 33 live projects across all services on the Procurement Plan, with more expected to be added as service plan planned projects, contract renewals and growth bids are added.

c) Manage and maintain Corporate Procurement policies and procedures.

- In October 2021, the Administrative Committee approved seven procurement policies, the Procurement Strategy and Procurement Policy. These have a review date of October 2022.

- The policies and strategy will all be updated by the October review date, and an additional two policies presented to Administrative Committee in November for approval.
- d) Reinstate the Procurement Project Board to ensure that Procurement, Legal and Finance have early sight of all projects over £40k
- The Procurement Project Board (PPB) has now been reinstated, with its first meeting taking place on 20th September.
 - Four repair and maintenance projects were considered by the PPB, prior to their being considered by the appropriate formal Committee.
 - At the September staff briefing, and at the managers' meeting colleagues were reminded of the PPB, Contract Standing Orders and need to gain support from Corporate Procurement for their projects as required, and the messages reinforced with posts to Spelnet.
- e) Ensure Corporate Procurement has early visibility of Service Plans for all Services
- Corporate Procurement has been added to the Service Plan discussion group set up as a repository for the approved plans.
 - As service plans are reviewed by MAT, approved and uploaded, Corporate Procurement will add any proposed procurement projects, in draft form, to the Procurement Action Plan.
 - This will provide earlier visibility and allow for more effective procurement resource planning.
- f) Improve compliance with the Council's Contract Standing Orders (CSOs)
- Corporate Procurement monitors compliance with CSOs in a number of ways: reviewing the numbers of exemption reports; reviewing spend data against contracted values; and local spend of <£5k procurements.
 - The measures will be considered at the PPB, and performance reported quarterly.
 - The team are currently collecting baseline data from against which measures will be reported at further updates.
- g) Ensure SBC is prepared for the changes implied by the emerging new Procurement Bill, expected in March 2023
- The reforms proposed within the planned Procurement Bill represent significant changes to public sector procurement, making it quicker, simpler, more transparent and more commercially-focused.
 - The reforms include a strong focus on “value for money, public benefit, transparency and integrity” at the heart of public sector procurement and will modernise procurement systems and processes.

- Corporate Procurement is reviewing the proposed changes and will ensure that SBC is informed and prepared to implement any changes required when the Bill comes into force (expected March 2023).

4.0 Financial implications

4.1 Some additional resource will be required to backfill the Corporate Procurement Manager. This is currently being scoped out and quantified.

5.0 Risk considerations

5.1 The actions contained in this report are aimed at reducing risk, such as risk of market challenge and non-delivery of value for money and risks associated with non-compliance with internal and external regulations and legislation.

6.0 Procurement considerations

N/A

7.0 Legal considerations

7.1 Corporate Procurement is part of the Corporate Governance team, and works closely with Legal Services on all of these actions

8.0 Other considerations

8.1 Pertinent considerations have been covered above

9.0 Equality and Diversity

9.1 Equality, diversity and inclusion are considered within the procurement policies and procedures referenced above

10.0 Sustainability/Climate Change Implications

10.1 Sustainability, Social Value, Climate Change and other environmental issues are considered within the procurement policies and procedures referenced above, and in all procurement projects.

11.0 Timetable for implementation

11.1 The Procurement Action Plan, and the actions identified in this report are ongoing on a cycle of continuous improvement. New key actions, such as those generated by the Cashable Savings Working Group, are being added, and will be covered in the next update report.

12.0 Contact

12.1 Please contact Hilary Gillies h.gillies@spelthorne.gov.uk

Background papers: There are none.

Appendices:

N/A